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THE WEATHER — PARIS: Wednesday, cloudy, occasional showers. Temp. 71-74. Thursday, similar. LONDON: Wednesday, dry and sunny. Temp. 71-73. Thursday, variable. CHICAGO: Wednesday, sunny. Temp. 71-73. Thursday, variable. NEW YORK: Wednesday, sunny. Temp. 71-73. Thursday, variable. ADDITIONAL WEATHER — COMICS PAGE

Austria	12.5	Kenya	Sh. 7
Belgium	20 B.F.	Lebanon	£12.25
Denmark	3.50 D.Kr.	Luxembourg	20 L.F.
Egypt	40 P.	Morocco	7.75 D.
France	20 F.	Netherlands	1.50 Flor.
Germany	1.50 D.M.	Nigeria	70 K.
Greece	18 Dr.	Norway	3 N.Kr.
India	Rs. 8	Portugal	25 Esc.
Iran	40 Rial	Spain	40 Pes.
Israel	400 Lira	Sweden	2.75 S.Kr.
		Switzerland	1.75 S.F.
		Turkey	17.15 L.
		U.S. Military (Eur.)	50.35
		Yugoslavia	20 D.

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Court in Moscow Convicts 2 U.S. Reporters of Libel

MOSCOW, July 18 (UPI) — A Soviet court today convicted two U.S. reporters on charges of libeling Soviet television officials and ordered them to pay fines equivalent to \$1,047 each and publish retractions in either Soviet or U.S. newspapers.

The verdict followed a three-hour trial that was boycotted by the defendants, Craig Whitney of The New York Times and Harold Piper of the Baltimore Sun, both of whom are vacationing in the United States. They said that they would return to Moscow when their vacations were finished.

Chief Judge Lev Almazov of the Moscow City Court ordered that Mr. Whitney and Mr. Piper pay their fines within 10 days and publish the retractions within five days. He made no mention of a prosecution demand that the court also ask the Soviet Foreign Ministry to strip the two of accreditation.

Times Deplores Verdict

Seymour Topping, managing editor of The New York Times, said that the Times deplored the verdict because it "implies that American reporters can be hauled into court at any time and penalized for reporting in a full and fair manner on events in the Soviet Union." He said that the newspaper "will not print a retraction of Mr. Whitney's accurate May 24 dispatch, which he filed in good faith after conscientious reporting. We maintain that



U.S. Secretary of State Cyrus Vance, left, looks on as Egyptian Foreign Minister Mohammed Ibrahim Kamel greets Israeli Foreign Minister Moshe Dayan at Leeds Castle in Kent, England.

Egypt, Israel Split Sharply In U.K. Talks

LEEDS CASTLE, England, July 18 (AP) — Egypt and Israel sharply disagreed over the future of the Palestinians and the West Bank of the Jordan River at the opening of U.S.-sponsored Mideast peace talks today.

"I think the gap is still very wide," an Egyptian spokesman said, assessing the 3½-hour session hosted by U.S. Secretary of State Cyrus Vance.

To ensure security, the talks are being held in a 13th-century castle, surrounded by a moat, 45 miles southeast of London.

"I think we are still waiting for a more positive response from the Israelis to our proposals," spokesman Hamdi Nada said.

State Department spokesman Hodding Carter 3d said that the two foreign ministers, Moshe Dayan of Israel and Mohammed Ibrahim Kamel of Egypt, began the first round of exploratory talks with an examination of each country's position. "They did not evade the issues," Mr. Carter said.

Sadat Warning

Egyptian President Anwar Sadat, however, warned that there would be no further meetings between Egyptian and Israeli representatives if Israel does not respond to Cairo's proposals at the talks.

Mr. Sadat's remarks, broadcast by Cairo radio, were made during a press conference in the Sudan, where he is to attend a two-day African summit conference.

Despite these wide differences, Mr. Vance sees points of agreement between the two sides and is trying to build a basis for a settlement. A U.S. official said that the two sides have agreed that they want peace and that there should be a five-year transition period. Israel is prepared to return the rest of Sinai to Egypt, although it has refused to dismantle the Jewish settlements established there.

Also, officials said, Egypt is coming to a better understanding of Israel's obsession with security and of its fear of a hostile West Bank leadership so near Tel Aviv.

The officials said that Mr. Vance is asking Egypt to spell out its proposals for security. The U.S. strategy is to try to pry enough concessions from Egypt to persuade Israel to commit itself to a West Bank withdrawal.

The castle, a favorite spot of King Henry VIII, was chosen to help protect the participants from any possible disruption by extremists opposed to a peace settlement. The extraordinary security precautions — the talks were shifted from a London hotel last week — appeared to irritate Mr. Dayan, who called them far overdone and unacceptable.

The talks are designed to inspire continued negotiations after a six-month deadline. Despite the gap over the West Bank and the Palestinians, the State Department is anticipating a successful outcome. It is making plans for Middle East troubleshooters Alfred Atherton in make calls this weekend in Egypt, Israel, Jordan and Saudi Arabia in an effort to lay the technical groundwork for more Egyptian-Israeli negotiations.

But the Egyptian and Israeli spokesmen emphasized that wide differences still exist between their positions on the issues of the West Bank and the Palestinians.

The spokesmen disagreed on whether to talk with Mr. Vance represented a resumption of direct negotiations — the principal U.S. objective — and on whether there would be follow-up rounds after the two-day meeting here.

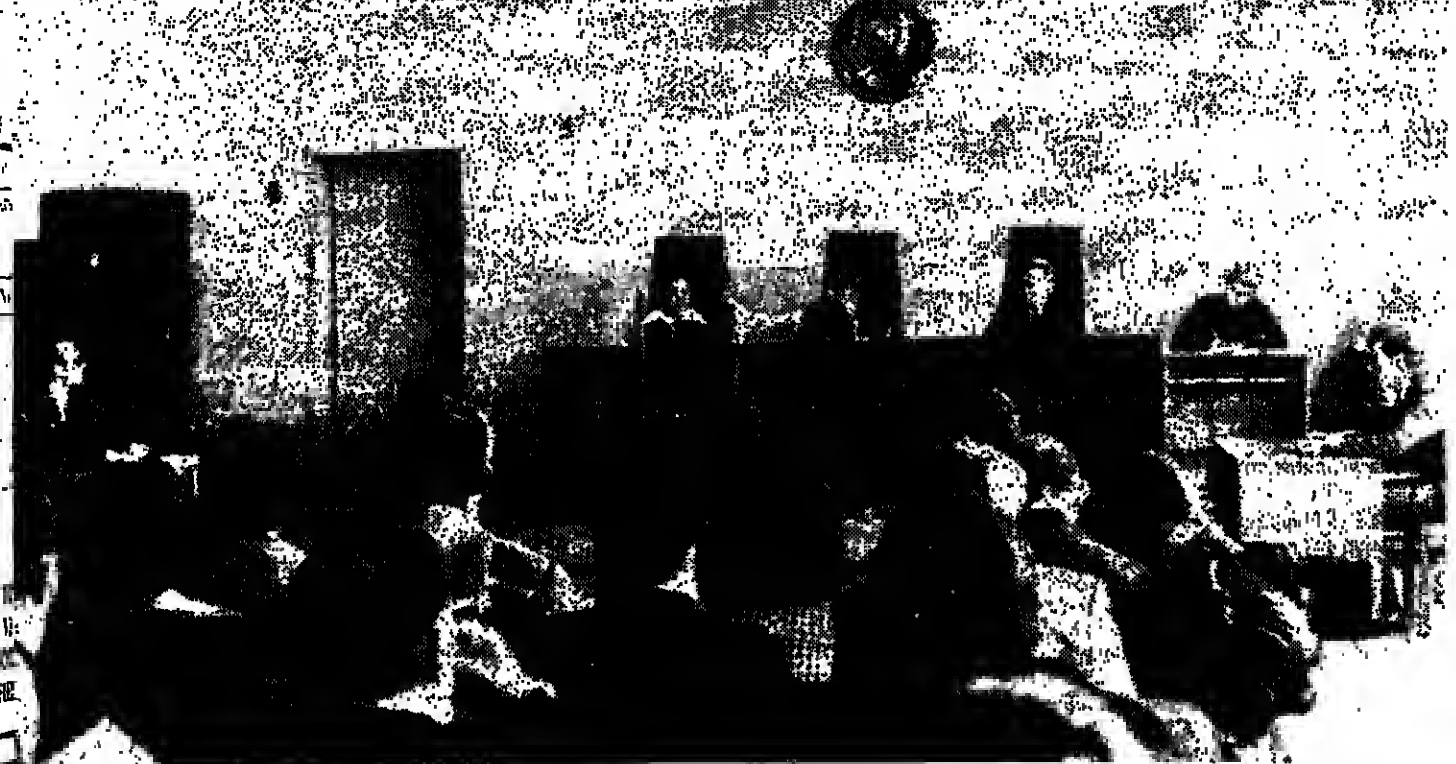
"I would certainly characterize the discussions as straight, direct negotiations," said Israeli spokesman Naftali Lavie.

Mr. Nada, for the Egyptians, said that Mr. Kamel had been sent in response to Mr. Vance's invitation, "to see if there is a chance to proceed." So far, he said, "I don't think there is anything new we can report."

Mr. Lavie agreed. "There is a wide gap, otherwise we would not be sitting here," he said. "Israel is very hopeful that we will be able to close or bridge this gap. How long it will take I do not know."

Mr. Sadat cut short the negotiations between Mr. Dayan and Mr. Kamel in January because of a deadlock over the West Bank and the Gaza Strip, which Israel won in the 1967 war.

Egypt has demanded that Israel return the West Bank to Jordanian rule and the Gaza Strip to Egyptian rule. After five years, the Palestinians in the two areas would be allowed to determine their own destiny.



Judge Lev Almazov, in center on bench, presides over trial of two U.S. reporters, who were not present.

In Wake of Carter, Schmidt Berlin Visit East Germany Assails U.S., Bonn Regime

By Michael Getler

BONN, July 18 (WP) — An unexpected turn for the worse in East Germany's relations with both West Germany and the United States may be shaping up in the aftermath of President Carter's visit Saturday to West Berlin in company with Chancellor Helmut Schmidt of West Germany.

Both the Soviet Union and East Germany have protested Mr. Schmidt's presence in the Western sector of the divided city as a violation of the Communist interpretation of the 1971 four-power agreement on Berlin signed by the United States, France, Britain and the Soviet Union.

Such protests are perfunctory and the Western Allies have already rejected them.

But irritation over the joint visit — in which Mr. Carter was sharply critical of East Germany's human rights record — became especially bitter yesterday when the official East German Communist Party newspaper devoted its front page to one of the most scathing attacks on West Germany in recent years.

The newspaper focused on the case of Nazi-era activities of Hans Filbinger, the chief minister of the state of Baden-Wuerttemberg, and used the incident to portray West Germany as "a fortress of old and new Nazis."

Although the attack was limited in its scope to allegations of Nazism and restrictions on civil liberties, it was a rare personal attack on Mr. Carter also appeared in a Leipzig newspaper, charging the president with holding up a new arms agreement, interference in internal affairs of the Soviet Union, and confusing his responsibilities of being president "with that of a Baptist preacher."

The new tension comes at a time when East Germany has been seeking better relations with the United States through such actions as sending the widely acclaimed Dresden Galleries art collection to the United States and the dispatch, for the first time, of three Cabinet ministers to Washington last month.

Allied Protests

It also comes at a time when both East and West Germans were expressing some optimism that a long delayed, and politically significant, new road connection to link West Berlin with Hamburg might finally move ahead.

But when Mr. Schmidt came to West Berlin, the Communists actually shut down road traffic into the city for a few hours, provoking sharp protests from Mr. Carter and all three Allies.

The president pointed out that East Germany — not a signatory of the four-power agreement — had no right to act or comment on the situation.

The president also said it was his understanding that the four-power agreement encourages stronger ties between West Berlin and West Germany, even though the agreement does not allow the actual political inclusion of West Berlin as a federal state of West Germany.

"It is under that kind of understanding," Mr. Carter told his West Berlin town meeting audience Saturday, "that Chancellor Schmidt is here with me today. I want to make sure that the strongest possible ties are encouraged between West Berlin and the Federal Republic of Germany."

Words Is Vague

Though the 1971 agreements, by and large, have worked well and have defused much of the Cold War battling over Berlin, the agreement is in fact quite vague. In the last two years both the Soviet Union and East Germany have been

News Analysis No Miracles From Bonn Meeting

By Paul Lewis

BONN, July 18 (NYT) — Leaders of the industrialized nations hope that the outcome of this year's Bonn summit meeting will keep the flame of international economic cooperation burning, even if it also shows they have lowered their expectations about what these annual meetings can achieve.

The approach they adopted yesterday to the world's economic problems is essentially a cautious one, eschewing quick fixes and great expectations. It recognizes the complexity of current problems, the political constraints on democratic governments, and the impossibility of securing a dramatic improvement.

The outcome bears the hallmark of the West German chancellor, Helmut Schmidt, the meeting's host and chairman, who believes that the slow growth and high unemployment affecting so many countries today cannot be reversed through the adoption of more inflationary economic measures alone.

Persistent Problems

Rather, in his view, these difficulties reflect deep-seated structural problems such as outdated factories, increasing birthrates, and the emergence of efficient industrial producers in the developing world together with the damage to business confidence caused by high inflation and unstable currencies.

The new recovery program for the Western world and Japan, by its lack of precision on crucial points, shows that an increasing number of major industrial countries accept a large part of the West German view.

Japan's premier, Takeo Fukuda, summed up this new mood of caution among the leaders here today when he said: "We must not expect any miracles here. What we are after is simply that we should stop castigating one another and criticizing each other."

This cautious approach was in sharp contrast to last year's London summit meeting, at which Western leaders committed themselves to stimulatory economic policies in the stronger industrial countries, believing that they alone would bring higher economic growth.

No Improvement

They were disappointed. West Germany and Japan sought and failed to get the higher growth their trade partners expected, and unemployment increased.

As expected, the U.S. contribution to yesterday's agreement took the form of a pledge to strengthen the dollar by cutting oil imports. But President Carter made no commitment to act unilaterally if Congress continues to obstruct his conservation plans.

Mr. Schmidt, who has pressed for meaningful energy-saving in the United States, accepted this as a fact of U.S. political life. But Mr. Carter and other Western leaders also accepted that West Germany is not going to risk its low inflation rate by any massive reflation of its

BP, Others Accused of Rhodesia Trade Oil Scandal Looms in Britain

By Bernard D. Nossiter

LONDON, July 18 (WP) — A major scandal is threatening to break here over charges that the government-owned British Petroleum Co. and five other oil giants have been violating the ban on trade with Rhodesia since the birth of Ian Smith's illegal white regime 12 years ago.

An official inquiry into the alleged activity is now virtually completed. It was learned today. A report is to be given to Foreign Minister David Owen in a few weeks.

But detailed accounts, supported by memos from BP and Shell, partners in the Rhodesian venture, already have been surfacing here.

Both companies refuse to affirm or deny the accuracy of these accounts. Both insist they will make no comment until Mr. Owen's inquiry is finished.

Shell is owned by British and Dutch interests. About 51 percent of BP's shares are owned by the government, and a former Foreign Office chief, Lord Greenhill, sits on its board.

One extensive version of the alleged sanctions breach has been published in the weekly New Statesman. It was written by Martin Bailey and Bernard Rivers, who are consultants to the Commonwealth Secretariat at the United Nations.

A parallel story has been told by Jorge Jardim in his new book, "Sanctions Double-Cross." Mr. Jardim is a former Portuguese minister who was in charge of insuring Rhodesia's oil supplies from Mozambique before that nation gained its independence.

Without oil, the Smith regime would almost certainly have collapsed years ago. Since the world trade in oil is dominated by seven large companies, often called "the seven sisters," it has long been evident that at least some have been providing white Rhodesians with their lifeline.

The two published descriptions of the activity agree that the companies have carefully observed the division of the Rhodesian market that existed when Mr. Smith declared independence. The reports say it has been split, down to the decimal point, by BP and Shell acting as a unit; Caltex, a partnership of Standard Oil of California and the Texas company; Mobil, and a subsidiary of Compagnie Francaise des Petroles.

"Eighth Sister"

This last has sometimes been called an "eighth sister" because it collaborates so frequently with the seven who dominate exploitation, production, transportation, refining and marketing of the non-Communist world's oil.

After sanctions were imposed on Rhodesian trade in 1968 by the United Nations, companies are said to have worked through thinly disguised intermediaries to bring in their product. According to the Bailey and Rivers article, the most important conduit worked this way:

Shell-Mozambique, jointly owned by Shell and BP, took oil

Spain Puts Brakes on Inflation Rate

By Stanley Meisler

MADRID — The government of Spain, following textbook rules, has managed to slow its rate of inflation but at the cost of great unemployment.

The fragile Spanish democracy has traded one booby trap for another, but the results so far are hopeful.

After ignoring the economy for years, the government of King Juan Carlos and Premier Adolfo Suarez has achieved more or less what it intended. "Things are not better," Minister of Commerce Juan Antonio Garcia Diaz recently said, "but they are going to get better."

A year ago, the Madrid newspaper El Pais said in an editorial,

But Cost Is Heavy Unemployment

"contemporary Europe has not known galloping inflation like that of today's Spain except in the days of the Weimar Republic," conjuring up images of Germany in the 1920s and the rise of Adolf Hitler.

More recently, Jose Ramon Lasuen, an economist who sits in the Chamber of Deputies as a member of the ruling party, warned that "if unemployment reaches 1.5 million, this country will end up in a revolution or a counterrevolution." Unemployment is now above 1 million.

In both cases, the critics did focus on the correct political threat from the economy at that moment, but their imagery probably was overblown. Spain is in its worst crisis since the economy became modern and prosperous in the early

Rebates on Engine Swaps May Cost GM \$13 Million

CHICAGO, July 18 (AP) — General Motors Corp. may be forced to pay up to \$13.3 million in cash rebates to nearly 67,000 owners of Oldsmobiles with Chevrolet engines under a court settlement reached between the company and several state attorneys general.

"It's undoubtedly the largest consumer protection settlement in the history of the country," Illinois Attorney General William Scott said yesterday after U.S. District Court Judge Frank McGarr approved the national settlement, which makes 66,782 persons in 46 states eligible for a \$200 rebate and a transferrable warranty on the engine.

The warranty, which provides a 36-month extension to the original warranty which customers received when purchasing their automobiles, is also worth about \$200, Mr. Scott said.

Yearlong Battle

The settlement, which Judge McGarr called fair and reasonable, culminates a yearlong legal battle to force General Motors to com-

Los Angeles Moves to Drop Olympic Bid

LOS ANGELES, July 18 (UPI) — Mayor Tom Bradley recommended today that the City Council withdraw the city's bid for the 1984 Olympic Games because it has been unable to reach a satisfactory agreement with the International Olympic Committee on financial responsibility.

The mayor said at a news conference that, in a letter, the IOC had rejected a new plan to have a citizens' committee accept responsibility and avoid any liability to taxpayers.

"That proposal having been declined by the IOC," said Bradley, "I am therefore recommending that the council withdraw the city's bid for the 1984 Olympic Games." The council was expected to follow the mayor's lead.

Despite Soviet Dissident Trials

U.S. Resumes Talks on Arms

By Jim Hoagland

WASHINGTON, July 18 (WP) — The Carter administration is resuming routine negotiations with the Soviet Union on limiting transfers of conventional arms to other countries despite Soviet treatment of dissidents.

The effect of the State Department's decision is to exempt the arms-transfer talks from a general review of U.S.-Soviet cooperation that administration officials announced last week during a storm of protest over the trials and sentences of Anatoli Shcharansky and Alexander Ginsburg.

Secretary of State Cyrus Vance said that the talks on strategic arms limitation were too important to world peace and U.S. national

security to be linked to the continuing dispute over human rights and detente.

Gingerly broadening this rationale to encompass the talks on cutting global arms sales as well, State Department deputy spokesman Thomas Reston said the arms-transfer meeting in Helsinki today was held as scheduled "because, as with other arms-control negotiations, it is in the interest of our national security to do so."

Defends Strategy

Mr. Reston said he did not know whether congressional leaders had been consulted in the decision. But his prepared statement, which he read in response to a question, contained a defense of the administration's determination to continue

both criticizing and trying to negotiate with the Russians.

The trial and sentencing of Mr. Shcharansky, a Jewish dissident involved in monitoring Soviet compliance with the Helsinki accords of 1975, provoked calls from some members of Congress for retaliation by the United States. Specific steps suggested were the suspension of the stalled strategic-arms negotiations and the cancellation of sales of a large U.S. computer and military equipment to the Soviet Union.

Mr. Reston said he did not know whether a decision had been reached on the computer sale. He also said he had not been told whether there had been a specific high-level review of U.S. participation in today's arms-transfer meeting, which was attended by Leslie Gelb, director of the State Department's political-military affairs office.

The deputy spokesman turned away questions on whether participation in the meeting represented a return to "business as usual" between Moscow and Washington, saying that he could not characterize U.S.-Soviet relations at the moment.

Small Signs

Other administration officials spoke hopefully of the resumption of the arms-transfer meetings as one of several small signs that tension is easing slightly in the wake of last week's acrimonious exchanges.

A July 15 report in Pravda, the Soviet Communist Party newspaper, portrayed Mr. Vance's meeting with Foreign Minister Andrei Gromyko in Geneva as having been businesslike and insulated from the domestic U.S. concern about the dissident trials.

Mr. Reston said no formal agreement was expected with the Russians at the Helsinki meeting, but that the State Department hoped for "substantial progress" on finding a joint approach to cutting back arms shipments abroad. The Carter administration has had only mixed results with its high-priority campaign to reduce the U.S. role as the world's No. 1 arms supplier.

Cuban Deaths On African Soil Put at 1,500

WASHINGTON, July 18 (AP) — The Cuban army has lost about 1,500 men killed in Africa over the last three years, U.S. intelligence officials said today.

The officials said the Cuban battle deaths apparently are not heavy enough to have caused unrest among the Cuban population at home, where, they said, Cuba's military help to African nations such as Angola and Ethiopia is still "extremely popular."

The officials, who refused to be identified, said they had no convincing evidence of the degree to which the Cuban Army in Africa has suffered wounded and missing. Nor, they said, can they confirm reports that Cuban wounded are being treated in Russian and East European hospitals rather than being sent home, where they might arouse popular concern.

The officials said about 1,000 Cuban troops were killed in Angola and 500 in Ethiopia. Cuban military elements are also present in about 10 other countries of Africa, principally as advisers and trainers of local forces, including those operating into Rhodesia.

E. Germans Assail U.S.

(Continued From Page 1)

assailing its interpretations and eroding Western rights in all sections of the city, including the Soviet zone.

The East Germans, for example, interpret the word "ties" to mean roadways and transport links rather than political ties.

They also maintain that the whole 1971 agreement applies only to the Western sectors and not to the Soviet zone, which they say is the capital of East Germany.

The agreement, in fact, does not actually refer to all of Berlin. Part one of the agreement, dealing with general provisions, which the Allies interpret as meaning greater Berlin, actually refers only to "the relevant area."

Part two of the agreement, with provisions for unimpeded traffic through East Germany to West Berlin, relates only to the three Western sectors.

The leaders of the three West German parties, met here at breakfast yesterday to discuss the Berlin situation in a previously scheduled session that is traditional with summit meetings. No statement on Berlin was issued afterward however.



BLAST-OFF — Chinese missile rocket takes off from launching pad in photo released by Chinese news agency. When and where the picture was taken was not disclosed.

African Leaders Gather For Opening of Summit

KHARTOUM, Sudan, July 18 (UPI) — Amid heavy security, the leaders of black Africa gathered here today to discuss Cuban intervention on their continent and other problems over which they sharply disagree.

Khartoum airport was closed to civilian traffic and heavily armed troops patrolled the capital's streets as 30 heads of state began arriving for the 15th annual summit meeting of the Organization of African Unity, which begins today.

The lack of unity among the members of the OAU is a perennial problem. But it will be overshadowed by more urgent concerns such as the Zaire crisis, Rhodesia, and the presence of about 40,000 Cuban troops in Ethiopia, Angola and other trouble spots.

Sudanese authorities imposed what they termed severe security precautions for the summit. Thousands of refugees from Ethiopia were forcibly moved out of town.

Pre-Summit Meeting

A pre-summit meeting of OAU foreign ministers took eight days to draft an agenda for their chiefs and formulate the resolutions that they will vote on. Most of the time was spent — unsuccessfully — in trying to draft a common position on the question of foreign military intervention by Cuban and French troops.

The ministers ended up endorsing broad guidelines that condemn the presence of foreign military bases and alliances in Africa while at the same time reaffirming each nation's right to seek military assistance.

The ministers apparently fell back on vagueness to avoid confronting what, given their conflicting ideologies, may be an irreconcilable issue.

They called for strengthening the nonaligned movement but rejected any move to nudge Cuba when the nonaligned states gather in Belgrade later in the month.

The heads of state will also consider a resolution recognizing the Patriotic Front as the sole liberation movement in Rhodesia.

Moderate African states attacked

British Police To Get Major Pay Increases

LONDON, July 18 (AP) — British police will get basic pay increases of up to 45 percent in a two-stage deal announced yesterday by the government.

The 5,500 officers of the Royal Ulster Constabulary in Northern Ireland will get an extra \$925 a year on top of the salary increases as a type of combat pay because of the warfare between Roman Catholic and Protestant extremists.

Britain's 118,000 policemen have become increasingly militant in their salary demands during the last year, and many have resigned.

The boosts far exceed the government's anti-inflationary curbs that currently limit pay hikes to 10 percent. The first installment of the increases will take effect Sept. 1, with the second due next year.

Home Secretary Merlyn Rees, in announcing the salary scales, said that they were based on recommendations by a government commission appointed last August to avert a threatened police strike.

Miss Lillian, as she was introduced, said she liked the ambassador's residence better than the Elysee Palace, but praised Mrs. Giscard d'Estaing, whom she found "so much prettier in person than in photographs."

Traveling as an emissary of the U.S. president, Miss Lillian said the journey expressed her son's deep concern about world hunger, the disparity between rich and poor, and the role of women in de-

Palestinian Leaders Hold Strategy Talks

BEIRUT, July 18 (NYT) — Palestinian guerrilla leaders, worried about their isolation from Middle East negotiations and about new divisions in their ranks, gathered in Damascus today to consider their course of action.

The Palestine Central Council, the 55-member policy-making body of the Palestine Liberation Organization, met in an emergency session to discuss what its speaker, Khalid al Fatah, described as the "challenges facing the Palestinian cause."

PLO Chairman Yasser Arafat is present, but not all members of the council were expected to attend. Representatives of four factions comprising the militant "rejection front" are staying away, a source for that wing said.

Call to Close Ranks

Mr. Fahoum called on all the groups to close ranks. "The Palestinian camp cannot tolerate any more divisions," he warned.

Mr. Fahoum indicated that Palestinian unity was to be given priority at the council's deliberations, which were expected to last only one day.

Last week, guerrillas of the main group, el-Fatah, clashed with members of the radical Palestine Liberation Front in Tyre in southern Lebanon. The fighting in which 13 people were killed, followed the kidnapping by the PLO of 51 United Nations soldiers, who were subsequently released unharmed.

el-Fatah, which is led by Mr. Arafat, did not want the United Nations troops to be harassed by the commandos. It accused the

PLF of acting under instruction from outside forces.

The PLF, a splinter faction which came into being last year after breaking away from another organization, is known to be backed by Iraq.

Statement Issued

Other members of the "rejection front," of which the PLF is a member, did not interfere in the fighting but issued a statement attacking el-Fatah as a right-wing movement.

Mr. Fahoum said guerrilla leaders must stand as one man to confront "the American and Zionist designs," which he charged, are being promoted by Egyptian President Anwar Sadat.

He especially referred to what he called "Sadat's decision to con-

clude a deal with Israel on the future of the West Bank and Gaza."

Palestinian sources are worried that the resumption of Israeli-Egyptian negotiations, which began in England today, would set the stage for a bilateral treaty between Cairo and Jerusalem.

Reports Disturb

They were also anxious about reports in the state-controlled press in Egypt that President Sadat assured Israeli Defense Min-

ister Ezer Weizman that neither the PLO nor any other guerrilla group will have a role to play in negotiations about the future of the West Bank and Gaza. The two met near Salzburg last week.

According to the Cairo magazine, October, which is known to reflect Mr. Sadat's thinking, Mr. Weizman was told that Palestinian representation at the proposed talks will be confined to the residents of the two Israeli-occupied territories.

Spain Slows Its Inflation At Cost of Unemployment

(Continued From Page 1)

former vice premier and minister of the economy who drew up the program.

"When the program was designed," he said recently, "we knew that we would have these costs."

But there is a danger of a continuation and deepening of the Spanish recession. As recessions worsen, they become increasingly difficult to overcome. When Spanish economic misdeeds to stimulate the economy, it could be too late.

Fascist Coddling

The present problems are a legacy of the past. The fascist system coddled Spanish businessmen. They were protected against competition from the rest of Europe.

Favored enterprises were given unlimited loans at low rates. In its last few years, the dictatorship also coddled labor. To turn the workers away from the unions, the government encouraged large wage increases.

This unreal economy came tumbling down with the huge increase in oil prices and the European recession of the mid-1970s.

But while the rest of Europe was dealing with its recession, Premier Suarez was too busy guiding Spain toward democracy to worry about the economy until after the June 15, 1977, parliamentary elections.

Mr. Fuentet Quintana, a prominent economist, was appointed vice premier in charge of the economy. Faced with alarming inflation and

an equally alarming deficit in the balance of payments, he tightened credit and devalued the peseta.

In October, he negotiated the pact of Moncloa with the political parties. Basically the leftist parties agreed to a 22 percent limit on wage increases. In exchange, Mr. Fuentet Quintana promised to force the rich and the middle class to pay income taxes and to use the tax money to strengthen social security and public works programs.

Mr. Fuentet Quintana also envisaged economic reforms that would discourage inefficient and protected industries. The tightening of credit meant that, for the first time, businesses had to justify their requests for loans.

As part of its reform effort, the Spanish government recently authorized foreign banks to do business in Spain. A move designed to spur competition in the banking industry.

The economic policies of Mr. Fuentet Quintana were received with bitterness by the Spanish business community. Costs were going up while profits were going down. Last year more than 500 companies suspended payments — a legal situation akin to near-bankruptcy. That was almost 40 percent more suspensions than the year before. Many companies stopped paying social security taxes to the government. Inefficient companies suddenly found they could not get loans.

To make matters worse, some companies delayed investment even when they had or could get capital reflecting lack of confidence in government and probably making it Spanish recession worse than ought to be.

Premier Suarez finally succumbed to business pressure. February and accepted Mr. Fuentet Quintana's resignation but kept many of his deputies key economic posts, and the government's policy now is to be the same as it was.

Spectacular Drawback

Even though it was anticipated the most spectacular drawback of the government's program has been the high rate of unemployment. Unemployment this year has exceeded 1 million, more than 7 percent of the work force. In addition another 200,000 persons are classified as underemployed, working only a few hours a week.

According to government statistics, 41 percent are young people looking for their first job and percent are under 25 years old.

The government will have to take this unemployment into account when it considers its economic policies for next year. Sometime before the end of this year, the government is expected to try to renegotiate a second pact with the opposition parties.

But the Socialists and Communists will probably accept wage restraints only if the government promises to do something to create employment. This will pressure the government with a dilemma. Spain, which had the high rate of growth in Europe in the early 1970s, and will have practically no growth this year, risks setting off the spiral of inflation once more if it tries to stimulate growth or more.

© Los Angeles Times

Leftist Winner In Ecuador Voted To Face Runoff

QUITO, Ecuador, July 18 (U) — A leftist standing in for his son has won Ecuador's first presidential election in 10 years but not enough votes to avoid a runoff.

Jaime Roldos, 37, a lawyer, of both predictions and Ecuador military rulers when he emerged the front-runner yesterday with little more than 30 percent of votes cast Sunday. He became candidate after the military ended his uncle, Assad Bucaram, founder of the Popular Forces Party, a former provincial mayor and error, is an anti-military politician with a large popular following.

With almost all of the vote counted, Mr. Roldos led rival candidate Sixto Durand, 43, votes to 320,004. Liberal Clemente Huerta was third, 306,599. But because Mr. Roldos did not have 51 percent of vote, he will face a runoff with Durand, probably in September.

It was Ecuador's first presidential election since 1968, when President Jose Velasco Ibarra was overthrown and became a military dictator. Elections were called for but it became apparent that Bucaram was going to win and armed forces installed Gen. Leonor Rodriguez Lara as president.

Bonn Economic Summit Won't Produce Miracles

(Continued From Page 1)

said that his priority will be reducing inflation.

French President Valery Giscard d'Estaing mentioned a known pledge to increase public spending this year. But the thrust of French economic policy is toward reducing inflation and phasing out inefficient industries.

Premier Giulio Andreotti of Italy expressed the hope that current ef-

orts to reduce government spending and overhaul Italy's creaking economic structure would lead to an upturn in private investment. Prime Minister Pierre Trudeau of Canada said that expansionary efforts in Canada would be constrained by his fight against inflation.

In general economic terms, therefore, the immediate world outlook is unlikely to change much as a result of the Bonn summit pledges. The Organization for Economic Cooperation and Development currently forecasts that economic growth in the industrialized countries will decline marginally to 3.25 percent on average next year unless the United States upswing slows and Europe continues to stagnate.

U.S. officials said last night that this figure might improve a bit as a result of the pledges made yesterday. But no official was prepared to predict that economic growth will return to the 4.5 percent level needed to stabilize unemployment in the Western world, let alone toward the 5 percent target the summit participants fixed themselves a year ago.

Schmidt's Impact

Mr. Schmidt's conservative influence on the summit results was also reflected in the European participants' renewed commitment yesterday to create a new currency bloc that will protect their economies against the disruptive effects of speculation.

The chastened atmosphere around the Bonn summit table is hardly surprising. Western leaders have consistently failed to achieve their summit objectives in the past, and they are clearly becoming more cautious about what commitments they make to manage the world economy.

The conflict, which has taken more than 11,000 lives, has escalated sharply in recent weeks. "So don't let's be mealy-mouthed about it. This clearly is a field in which my black colleagues operate almost exclusively, and I hope we're going to have better results from now on," Mr. Smith said.

He spoke amid continuing British-U.S. efforts to arrange a conference grouping both "internal" forces and the guerrilla-backed Patriotic Front. He said that such a conference "would be disastrous under the present circumstances" because Britain envisioned a total handover to the Patriotic Front and this would result in a pro-Soviet state in Rhodesia.

Soviet Novelist Is Told He Can Leave for West

MOSCOW, July 18 (AP) — Alexander Zinoviev, a professor of logic until he lost his post after publishing a novel in Switzerland, said today that Soviet authorities had reversed themselves and granted him permission to leave for West Germany.

"This was quite unexpected," Mr. Zinoviev told Western correspondents on the telephone, noting that in January officials turned down his request to emigrate. He has been offered a teaching position at the University of Munich.

At that time, the 55-year-old philosopher said he feared that authorities here might bring him to trial on a charge of "parasitism" because, he no longer had a regular job.

He said today that he had heard from passport authorities that they were issuing him a visa for travel to West Germany. He said he would be leaving early next month with his wife, Olga, and their 7-year-old daughter.

U.K. Man Free In Mercy Death

LONDON, July 18 (AP) — Derek Humphry, who admitted helping his cancer-stricken wife kill herself three years ago, will not be prosecuted, a spokesman for the director of public prosecutions said today.

Mr. Humphry had faced a possible maximum prison sentence of 14 years for assisting in his wife's suicide, but the spokesman said there was insufficient evidence to justify prosecution.

Mr. Humphry, 47, said in March that he gave his terminally ill wife, Jean, a lethal dose of drugs in a mug of coffee. He said his wife of 20 years chose the moment to die by saying, "It's time you went and got me something to drink."

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July 19, 1978

Aims to Replace Oil With Coal

First Carter Energy Bill Passes Easily in Senate

WASHINGTON, July 18 (AP) — The Senate today passed overwhelmingly a compromise measure designed to help save dwindling supplies of oil and natural gas by increasing industrial use of coal.

By a 92-6 vote, it approved the first part of President Carter's long-stalled energy program. Although the measure is a relatively minor provision in the five-part energy package submitted in April of last year, its passage was welcomed by Democratic leaders as a sign that Mr. Carter's program is back on the legislative rails.

"While it is a small bill, it is part of the sum total of the effort this nation must make," said Sen. Henry Jackson, D-Wash., chairman of the Senate Energy Committee.

Sen. Robert Byrd, D-W.Va., the majority leader, had telephoned Mr. Carter in Bonn — where the president was attending a seven-nation economic summit meeting — during the week-end to forecast passage of the coal conversion bill.

It now goes to the House, where approval is also expected. However, House leaders plan to await the arrival of other segments of the energy package before sending any of the compromise bills to the president's desk.

1.3 Million Barrels

The coal measure would prohibit most new power plants from burning oil or natural gas, give the government the power to force many businesses to convert to coal, and ban use of natural gas as an industrial boiler fuel after 1990.

Sen. Jackson estimated that it could eventually reduce oil imports

by nearly 1.3 million barrels a day — more than half of the 2.5-million-barrel reduction called for by Mr. Carter yesterday at the end of the summit meeting in West Germany.

The nation currently imports about 5 million 42-gallon barrels of oil a day, or roughly 40 percent of U.S. consumption.

Critics have contended that the coal measure probably would not save more than 250,000 barrels a day. They say many industries are switching to coal anyway, and those that do not want to probably could qualify for one of the many exemptions in the bill.

One exemption would prevent the government from ordering plants to burn coal if doing so would violate clean-air laws. Another applies if coal is not available at "reasonable prices" in the area involved.

Some Gas Lamps Saved

Sen. Jennings Randolph, D-W.Va., a long-time staunch advocate of coal, commented that today's vote was a signal to the people "that we intend to use coal, our most abundant resource."

The measure does not require new power plants to burn coal as such, but prohibits use of oil or natural gas, leaving industry with few alternatives beyond coal or nuclear power.

Residential outdoor gas lamps would be banned after Jan. 1, 1982. The government would have to come up with a separate set of standards curtailing business uses of gas lamps.

Lamps deemed of historic or cultural value, such as those in the French Quarter of New Orleans or at Arlington National Cemetery, could continue to burn, as could those whose illumination is needed for safety.

Supporters of the ban had objected that each gas lamp burns an average 15,300 cubic feet of gas a year, adding up to a potential total savings of about 73 billion cubic feet yearly.

Carter's Foreign Aid Bill Faces Cuts, Bans in House

By Adam Clymer

WASHINGTON, July 18 (NYT) — The Carter administration's \$8.4 billion foreign aid program, already cut more than a billion dollars by the House Appropriations Committee, is in danger of further cuts, a variety of bans on aid to particular countries and possibly even defeat in the House.

"It doesn't look too good," said the House majority leader, Rep. James Wright, D-Texas. "Hopeless," said Rep. David Obey, D-Wis., a key defender of foreign aid, who said that he might end up voting against the bill if it should get amended to the point that it "makes us look like damn fools."

The bill, once tentatively set for action on June 15 but postponed for various reasons, including a desire not to embarrass President Carter during the economic summit meeting in Bonn, is now planned for floor action next week.

But administration sources and some congressional friends of the program are already talking of trying to keep foreign aid going with a continuing resolution — a device used when a regular appropriations bill cannot be passed on schedule, and one that usually does not attract many amendments.

Difficulties in passing foreign aid measures are not new on Capitol Hill, but supporters of the program said the situation is worse this year. The reasons include the administration's request for \$1.7 billion more than last year, the economic mood after California's June 6 vote in favor of Proposition 13 to slash property taxes, and the role played by the appropriations subcommittee chairman and floor manager of the bill, Rep. Clarence Long, D-Md.

Rep. Long said that he intended to persevere in an effort, defeated in the Appropriations Committee, to cut \$854 million from money for the Inter-American Development Bank and the International Development Association. That cut was rejected narrowly by the committee June 1 when it voted out a \$7.4 billion aid bill.

He said he was not in touch with sponsors of many other amendments, but thought that if his reduction was approved, it would serve as a safety valve and deflect other cuts. And he argued that even with his cut, appropriations for both international banks would increase faster than most domestic or defense programs.

Deep Malaise Is Reported In France's Spy Service

PARIS, July 18 (Reuters) — The French daily Le Monde reported today that there is a deep-seated malaise in France's espionage service because its activities are increasingly directed to operations inside France.

An unsigned article in Le Monde quoted the head of the Service de Documentation Extérieure et de Contre-Espionnage (SDECE), Alexandre de Marenches, as telling employees dissatisfied with his policy "to submit or resign."

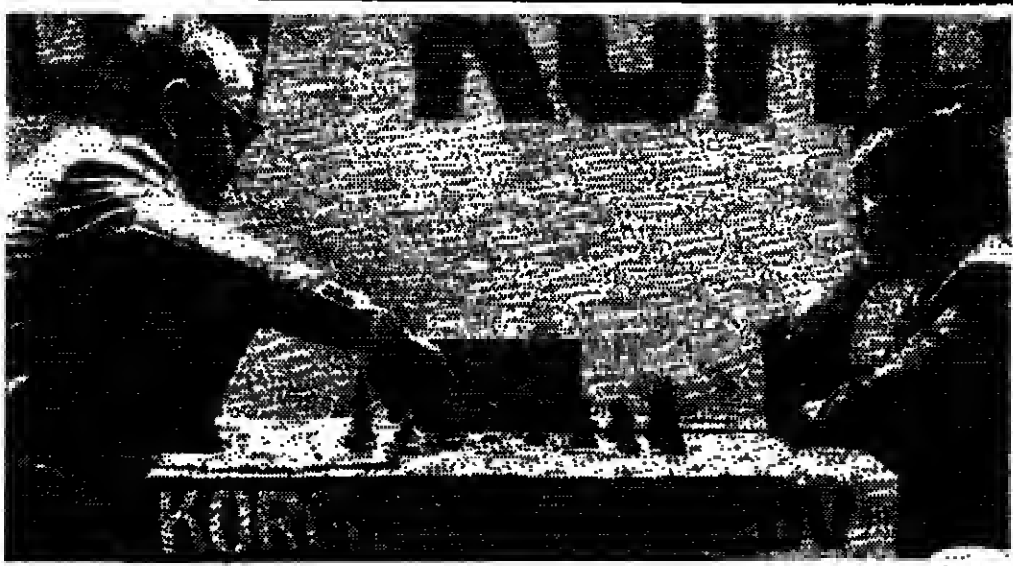
The article, apparently based on comments by SDECE agents displeased with their work, said that the organization had created a section to counter subversion and terrorism "whose activities overlap considerably with other bodies responsible to the Interior Ministry."

Subversion and terrorism inside France are areas which would normally be dealt with by the Direction de la Surveillance du Territoire (DST) or the Police Renseignements Généraux, both under Interior Ministry authority.

The SDECE's work would normally be limited to foreign operations. Earlier this year, Le Monde published another report on dissatisfaction within the SDECE and said that two of its agents had committed suicide because of pressures at work.

There have also been hints that officers of the DST, which is devoted mainly to rooting out foreign spies operating inside France, are discontented because some of their work has been directed to surveillance of French political groups, mostly on the left.

Le Monde said that the change in the SDECE's work had come about because proponents of operations within France maintained



Viktor Korchnoi moves piece in first match with Anatoly Karpov.

Korchnoi, Karpov Draw in Chess Match Opener

BAGUIO, Philippines, July 18 (AP) — Challenger Viktor Korchnoi and world chess champion Anatoly Karpov played to a draw today in the opening game of Mr. Korchnoi's grudge match for the title.

Mr. Karpov offered Mr. Korchnoi a draw after 18 moves, and the game, which experts described as "unexceptional," ended after two hours of play.

Mr. Korchnoi, 47, a defector from the Soviet Union, made a traditional English opening, one of his favorites. Mr. Karpov, 27, transposed it into a queen's gambit which Mr. Korchnoi declined.

The tournament will continue

until one of the players wins six games. Experts say they may have to play 30 or more games, which could take up to three months.

Mr. Karpov and Mr. Korchnoi walked on stage promptly at 5 p.m. and shook hands to start the first game on time, although they had not agreed on the chess pieces to be used until a few minutes before. International chess federation officials said that they could not recall an international match in which acceptance of the pieces was delayed so long.

Representatives of the players rejected three proposed sets on Sunday because the proportions

of the pieces were wrong or they were too light. They finally agreed on a set from the collection of millionaire Filipino businessman Manuel Zamora.

Along with the title, the winner of the match will get \$350,000. The loser will get \$200,000. Organizers say the purse, the richest in chess history, was raised from private business.

Mr. Korchnoi, who left Russia in 1976, says that he wants revenge against the Soviet chess system, which he claims kept him from defeating Mr. Karpov at their last meeting, in 1974.

Visiting Scholar Is Followed in U.S.

Canadian Traces 4 'Shadows' to FBI

By Doyle McManus

LOS ANGELES, July 18 — Paul Lin, a visiting scholar at the University of California at Los Angeles, is being followed.

From one to four men have openly tailed Mr. Lin, his wife and their daughter around Los Angeles intermittently for a month. At first Mr. Lin, a Canadian-born history professor who spent 15 years in China, did not know who was shadowing him.

"They seemed too blatant, too amateurish to be the FBI," he said. So, Mr. Lin said, one day he stopped his car, walked back and asked the man in the car (telling him to identify himself. The man refused.

Then Mr. Lin and several friends shadowed the shadows, chasing them with cameras through a terminal at Los Angeles International

Carter Predicts Young Will Be More Cautious

WASHINGTON, July 18 (UPI) — President Carter said that he thinks U.S. Ambassador to the United Nations Andrew Young "will be more cautious in the future" when discussing touchy international issues.

Flying home from Bonn, Mr. Carter was asked whether he had silenced Mr. Young, who created an uproar recently when he said in an interview with a French newspaper that there are "hundreds, perhaps even thousands" of political prisoners in the United States.

The interview was published at a time when Mr. Carter and Secretary of State Cyrus Vance were strongly protesting the trials of Soviet dissidents Anatoli Sharansky and Alexander Ginsburg.

"Andy and I have a good relationship and we had a mutual discussion about the problems with his statement," Mr. Carter said. "And, in balance, I think Andy will be more cautious in the future. But he's a very valuable asset for our country."

West German Aide Is Stabbed in N.Y.

NEW YORK, July 18 (UPI) — An administrative assistant at the West German mission to the United Nations was stabbed over the head and stabbed in the stomach in Central Park last night, police reported.

Arthur Ohnewald, 38, was walking in the park about 11:30 p.m. when two men approached him and demanded money, police said. The assailants fled, and Mr. Ohnewald was said to be in stable condition today at Roosevelt Hospital.

California Man Paying Less, Donating More After Tax Cut

LOS ANGELES, July 18 (WP) — Despite Proposition 13, the tiny northern California towns of Marysville, Oliverhurst and Linda will have fire departments in the coming year.

And the local senior citizens group in Yuba County will still get funds, along with a program designed to aid the handicapped. All the programs were scheduled to fold because their county funding was about to be cut under Proposition 13.

But last week Las Vegas businessman Marvin Kratter changed all that. As the owner of Yuba Goldfields Inc. in Marysville, Mr. Kratter saved \$26,000 in county tax monies because of the property tax cuts mandated by the recently passed proposition.

Mr. Kratter decided that the community needed the money more than he did for his mining, dredging and home-building projects. He gave it back in the form of contributions to many of the organizations that were going to lose county funding. And he promised to do the same thing again next year.

"We feel a strong attachment and a community spirit commitment to the Yuba-Marysville community," Mr. Kratter said. "Although we are in favor of county government operated on an economical basis, we do not wish to benefit at this time by taking advantage of the unexpected savings from Proposition 13 to the serious detriment of many worthy community programs and organizations."

Firemen Vote To End Strike In Louisville

LOUISVILLE, Ky., July 18 (AP) — Firefighters today voted 358-30 to end a five-day strike and accept a new contract with the city. The first crews returned to work shortly after 6 a.m., immediately after the vote.

Union president Larry Arwell said that all firefighters could be back to work as early as three or four hours after ratification of a contract.

Details of the agreement were not disclosed, but a union official said that the city had agreed to drop contempt procedures against the union for failing to honor a back-to-work order and had agreed not to penalize firefighters for participating in the strike.

The strike closed 16 of the city's 22 fire stations. Twenty-eight Fire Department supervisors and about 280 National Guard troops had staffed the other stations.

Dane Named to UN Post

UNITED NATIONS, N.Y., July 18 (AP) — Peter Hansen, 37, political science professor at Odense University in Denmark, was named yesterday to the new post of UN assistant secretary-general for program planning and coordination.

Sterilization Charge Is Denied

Indians Accuse U.S. of Genocide Policy

WASHINGTON, July 18 (AP) — Indians are demanding that the U.S. government stop what they describe as a policy of genocide, claiming that one of four Indian women was "forcibly sterilized" from 1971 to 1975.

A government agency handling medical services for the Indians said that the accusation was false and suggested it had been made by Indian spokesmen to gain publicity.

The Indians were to continue their lobbying of various parts of the federal government today, including a protest at the Supreme Court building. About 1,000 of them marched on the Capitol yesterday.

"Genocide has to come to an end. Sterilization must stop," said Philip Deer, a leader of the Muscogee nation, as he spoke at yesterday's rally on Capitol Hill.

Legislation Opposed

The Indians, many of whom marched hundreds, and some of them thousands, of miles to Washington, also are asking Congress to reject pending legislation that they say will take away their lands and deprive them of control over their own culture, education and destinies.

Indians from more than 80 tribes

have joined in the demonstrations that follow the "longest walk" — a 3,000-mile protest march from California to Washington. Hundreds of other Indians joined the marchers here.

"I want the freedom to bring children into the world. Freedom to walk and go wherever I please. Freedom to be who I am. Freedom to practice my religion," declared Mr. Deer.

Charge Reiterated

A statement issued by the Navajo, Sioux and Iroquois nations repeated the genocide theme, saying, "The clear-cut policy of genocide of the last century continues in more sophisticated forms in this century."

According to the Indians, 24 percent of all Indian women were forcibly sterilized from 1971 to 1975 and one of three Indian children today is being placed in non-Indian homes by county, state and federal agencies.

"There is absolutely no truth

whatsoever" to the sterilization accusation, said Emory Johnson, director of Indian health services for the Health Services Administration.

He said that the General Accounting Office investigated such charges two years ago and did not find a single case in which an Indian woman was sterilized without her written consent.

He said that the agency has adopted GAO recommendations on improving its counseling services for pregnant women.

"These general charges make good press," Mr. Johnson said. He said that his department has often requested that such charges be backed by a specific case being brought to its attention, but that so far "we're still waiting."

U.S. Airlines Headed For Record Year

WASHINGTON, July 18 (AP) — U.S. airlines are heading for a record year and carried 16.3 percent more passengers in the first six months of this year than they did in the same period last year, the Air Transport Association reported yesterday.

For the month of June, traffic was up 21.9 percent over last year, the association said. It forecast that U.S. airlines would carry a record 265 million travelers this year, compared with 240 million in 1977, which was a record. It attributed much of the traffic surge to the proliferation of discount fares.

Chinese Will Tour Farm States in U.S.

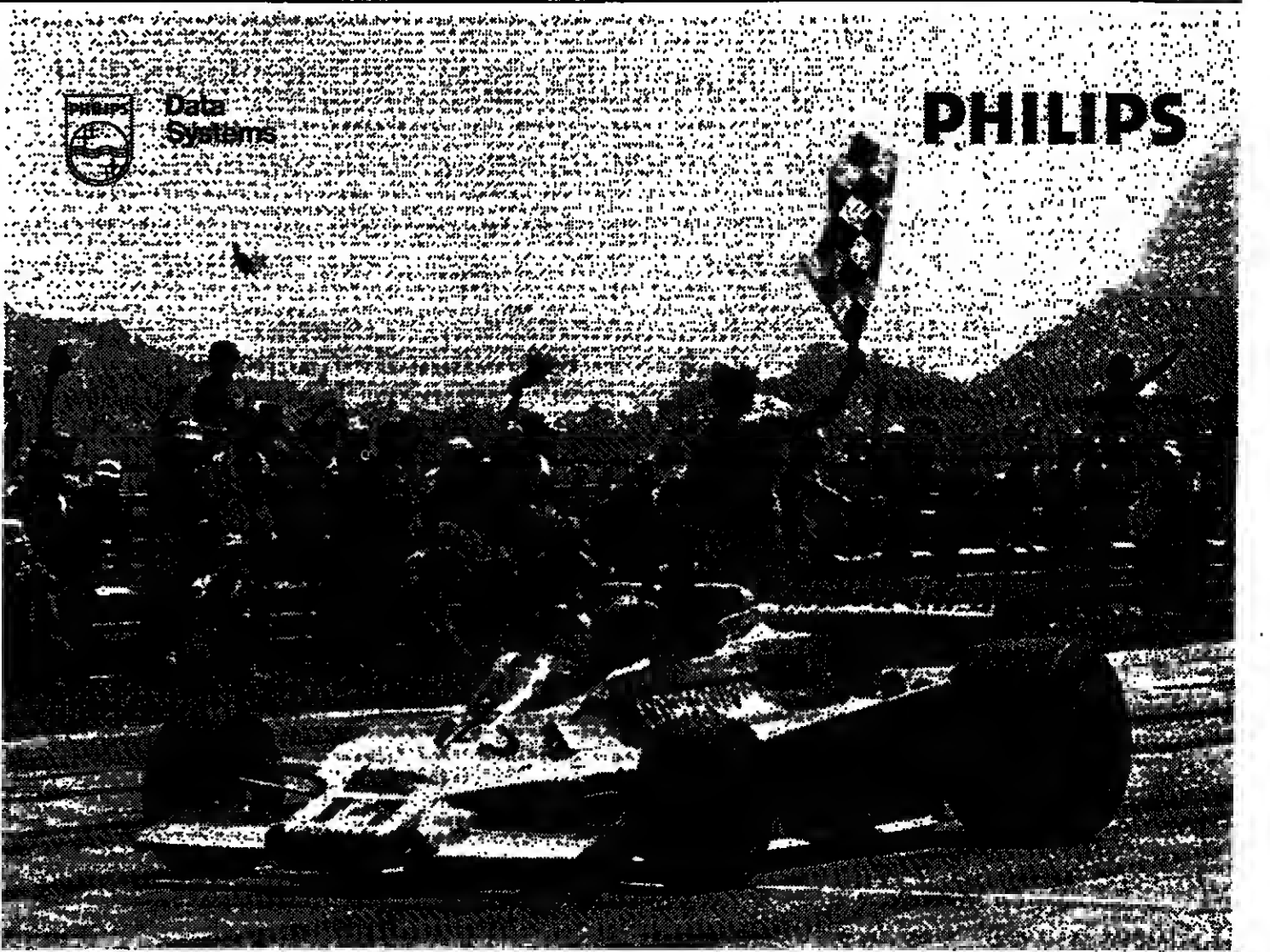
JEFFERSON CITY, Mo., July 18 (UPI) — A tour of Missouri farms will be taken by a delegation from China next month as a possible prelude to purchasing agricultural products, the Missouri director of agriculture, Jack Runyan, said yesterday.

The Missouri visit is part of a month-long tour of 12 farm states by the Chinese, officials said. "The group will consist of Cabinet-level people and some provincial agricultural directors," Mr. Runyan said. "They're interested in rice and cotton, and livestock — beef and pork."

Soldiers' Skeletons Found on Tarawa

TARAWA, Gilbert Islands, July 18 (AP) — Workers excavating for a sewer on the World War II battlefield here have unearthed the skeletons of five soldiers, including those of an American and a Japanese side by side.

Bill Bencke, an Australian who heads the project, said one of the skeletons had a GI army boot still in good condition on a foot and a Swiss watch on one wrist. Alongside was the lower half of a Japanese skeleton, near a shoe. No identification tags were found, he said. The Japanese bones were to be sent to Japan. The American's remains were to be buried in a local cemetery.



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What They Achieved in Bonn

The achievement of the Bonn meeting is that it kept matters from getting worse. That's not a bad thing to have managed. Perhaps that final communiqué, with its talk about cooperation and meeting again next year, will not seem very exciting to you. But it's better than the alternative. The strains among these seven rich and powerful economies are real, and each of the seven men at Bonn could score a sharp advantage at home, at least briefly, by exploiting those strains as political issues. But each of the governments at Bonn remembers that there was a period, between the two world wars, when they let economic conferences turn out badly. The recollection of that catastrophe is the discipline that now keeps the seven together.

The seven governments are apprehensive about what is known as world opinion — which, first of all, means the currency markets. The people who manage and invest large sums of money provide a running commentary, through the exchange rates, on countries' varying economic prospects. A lot of these people wanted some kind of assurance from Bonn that the governments were somehow going to try to stabilize the currency rates and make the markets safer. The message to the markets is that, just as the United States has been saying all along, it really isn't possible any more. Before currencies become more stable, inflation rates will have to be brought down and trade deficits reduced. That subject leads to the subject of oil imports.

The Bonn meeting was deeply interested in President Carter's energy bill for reasons that go well beyond energy. Abroad, the failure of the United States to put the president's policy into effect has seemed an ominous indication of a U.S. refusal to exercise even a modest degree of self-restraint in behalf of common interests. In response, Mr. Carter made a specific pledge. He intends to get the price of U.S. domestic oil up to world level by the end of 1980. For the consumer, at present prices, it would increase the price of oil products about 5 cents a gallon.

But the entangled argument over how, or even whether, to do it has immobilized the central sections of the Carter energy plan in Congress. Mr. Carter's first choice is a tax on crude oil. But that oil-tax bill has been stuck fast in the Senate ever since it passed the House nearly a year ago. Mr. Carter's declaration in Bonn strengthens the impression that he has decided to give Congress until the end of the session to enact legislation. If it fails, the implication here is that he proposes to proceed under presidential authority. It is not clear precisely what route he has in mind. But the Bonn communiqué says that he is still determined to achieve the goals of his original bill, if not by the bill then by other means.

Each of the other six nations responded in kind. Crucial to all the rest, Chancellor Helmut Schmidt agreed to try to speed up West Germany's, and therefore Europe's, economic expansion.

The prevailing mood in Bonn was, evidently, one of caution. The seven politicians know that their economies are no longer predictably following the established and familiar patterns of the postwar decades. Since they have all been burned by recent economic surprises, caution is not necessarily an unreasonable posture for the present. All seven governments are now uneasily coming to terms with the possibility that the last recession was not merely an unusually severe turn in the accustomed cycle. Perhaps, instead, it announced a new phase in the world's development — one in which, conceivably, for quite a long time, economic growth will be slower and rises in the standard of living much harder to earn than in the long postwar boom that may now have ended.

The seven men at Bonn agreed to keep working together. They agreed to try to keep economic differences from turning into disruptive political issues. But they were trying not to promise more than they can deliver — and how much they can deliver, they are not sure.

THE WASHINGTON POST.

Kremlin's Famous Last Words

The Soviet government has distributed a morbidly engrossing "anatomy of treason" to justify its most brutal persecution of a recent dissenter — Anatoli Shcharansky. The trouble began, it tells its people, when "he decided long ago to leave his homeland for the West." There is no mention that the "West" is Israel, and there is no mention that the world would never have heard of him had he been allowed to leave. The pivotal lie in the mountain of lies on which this case rests is to be that he was not content to leave.

"But who needs [in the West] a 'green' specialist with an engineer's diploma when there are thousands and thousands of qualified engineers without jobs there? Shcharansky was not so silly as not to see this. The West needed a 'public figure' and the traitor was trying hard to appear such a figure before his foreign masters. The logic of betrayal threw this 'public figure' and 'champion of human rights' into the arms of special services, turned him into an ordinary spy..."

Shcharansky's crime, it is now plain, was that he refused to accept in silence the arbitrary rules that denied him exit from the Soviet Union but also denied him a livelihood for the sin of applying to leave. His protest that this violated the Helsinki accords on human rights is termed a "slander" of the Soviet Union. His introduction of other protesting technicians and scientists to a Western correspondent is said to have set them up for the reporter's prying into "all sorts of secret data." Out of "vanity" and a "desire for the limelight" abroad, the Kremlin concludes incredibly, Shcharansky became entrapped in a life of clandestine espionage.

These pathetic tales are not, of course, without purpose. Russians are duly warned not to befriend dissenters; dissenters are warned not to deal with foreign reporters; unhappy citizens are warned not to pine for emigration. But in all the motives ever discovered for spying, surely a thirst for fame is unique even in Soviet annals. Rarely, in fact, has one soul's unwanted fame so well defined a nation's infamy.

THE NEW YORK TIMES.

Koreagate: More to Come

After 18 months of investigating South Korea's bribery and influence-peddling on Capitol Hill, the House Ethics Committee has charged four members with violating House rules and exonerated the speaker and majority whip with a polite chiding for poor judgment. Is that all there is?

The generous Tongson Park, a sort of ambassador with fat portfolio, has admitted to giving \$850,000 to 30 members of the House, 13 of whom are still there. The committee has cleared all but five. It suspects perjury by one member or by the witnesses against him and by two former members beyond its reach. Its findings are separate from the actions of the Justice Department, which has convicted a Korean-born businessman of corrupting congressmen and lying to a grand jury; won an admission of fraudulent conspiracy from a former member of Congress; indicted another former member, and pursued charges against some lesser figures. Several other former congressmen appear to have been saved by the statute of limitations.

That may be it, the committee implies. Its effort to sort out criminal conduct from ethical malpractice and both of these from a loose handling of campaign contributions and other favors seems to have been scrupulous. Its pursuit of a key witness, former Ambassador Kim Dong Jo, has been diligent but frustrated. Its desire to bring the matter to an end is understandable. But the matter cannot be left there.

In the International Edition

Seventy-Five Years Ago

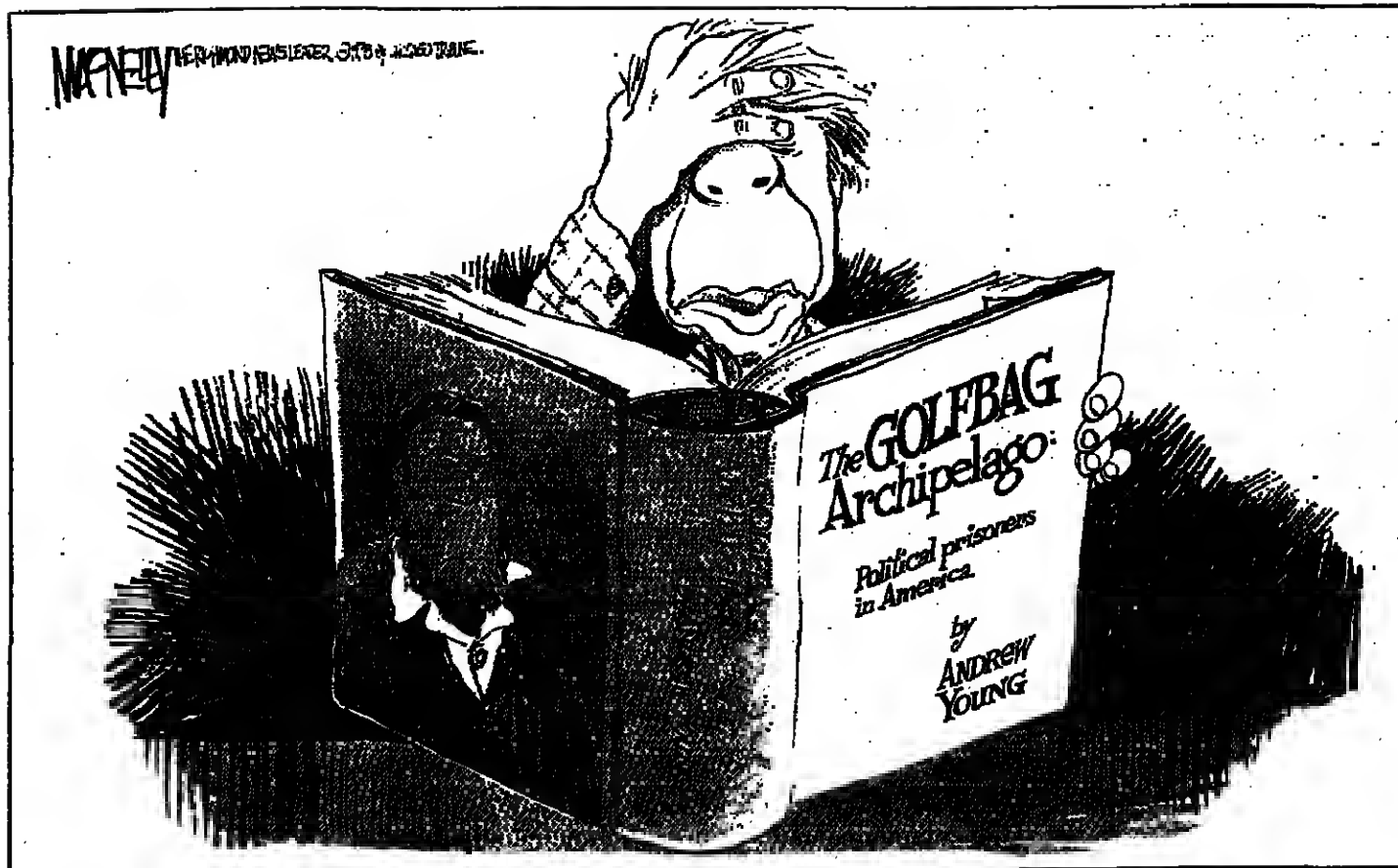
July 19, 1903

ROME — Pope Leo XIII, who was recently reported in critical condition here, has made such a recovery that plans for his funeral have now been put off indefinitely. Mr. Tanfani, who handles such matters for the Vatican, said today that orders of the velvet-lined coffin and the three sets of various sized vestments for his successor, which the Vatican had ordered two weeks ago, had been suspended, although Mr. Tanfani remarked that he had already finished them.

Fifty Years Ago

July 19, 1928

ASHEVILLE, N.C. — Fears that a split in Southern Democratic votes could open the way to Negro voting and Negro domination of the party squelched an attempt by Methodist Bishop James Cannon here yesterday to oppose the candidacy of Al Smith of New York for the Democratic presidential ticket. Bishop Cannon denied that he was thereby supporting a Republican, saying that he was opposed to "a third party, any Northern, or any Tammany Hall anti-prohibition candidate."



On Carter, Castro and the CIA Data

By Abraham F. Lowenthal

WASHINGTON — The long-simmering debate in Washington about Cuba's role in Africa was brought to a furious boil by the recent Katangan invasion of Zaïre's Shaba province. Now, weeks later, the controversy shows few signs of abating.

"We believe," said President Carter at a news conference in Chicago recently, "that Cuba had known of the Katangan plan to invade and obviously did nothing to prevent them from crossing the border. We also know that the Cubans have played a key role in training and equipping the Katangans who attacked."

Congressional representatives immediately divided into skeptics and believers. The president, meanwhile, held his ground, citing as his authority information provided him by the CIA.

In fact, the issue of Cuban involvement in Africa is complex. The argument skips between analysis of Cuba's motives, her links to Soviet designs, the effect on U.S. interests, trends within Africa, and wider U.S.-Soviet rivalries.

Compress

Washington tends to compress all these troubling questions into one deceptively simple one: Did the Cubans actively participate in the recent invasion of Zaïre by exiled Katangan gendarmes?

Carter accuses Cuba of partial responsibility for the invasion, since it was launched from Angola where Cuba's presence and presumed influence are pervasive. On the other hand, Fidel Castro denies Cuban complicity in the invasion of Zaïre. He claims that the incursion occurred despite Cuban efforts to dissuade the Katangans from launching a strike which he says Cuba opposed. Either Carter or Castro is wrong.

For people outside the government, the debate has been frustrating. We have no particular reason to believe Castro, and perhaps even less reason to trust his Soviet patrons. Blind faith in the administration's interpretation seems equally unjustified, however, especially when responsible senators warn us that the administration's evidence is ambiguous and contradictory. Worse yet, the administration's own public stance shifts from one week to the next. None of us outside the government (and perhaps not even those within the administration itself) knows for sure who is right about Cuba's role in Zaïre.

Strain

In fact, it has been reported that a strain has developed between the White House and the CIA over this whole episode. On the one hand, the intelligence agency claiming that Carter pressured it to reveal classified information that could have jeopardized sensitive sources; and the other hand the White House alleges that the CIA exaggerated the Cuban role and failed to provide hard evidence to support agency claims.

It may be worth remembering, that previous presidents of the United States have been known to go before the public with erroneous assessments based on fragmentary intelligence reports.

Some critics of the administration have cited the 1964 Tonkin Gulf incident to make this point. In that case, however, President Johnson was probably less mistaken than he was Machiavellian, choosing to frame distant events within a self-serving interpretation.

A more relevant example of faulty intelligence evaluation is the Dominican crisis of 1965. Although no one seriously believes that President Johnson completely fabricated the potential Communist takeover in Santo Domingo and to which he responded by sending in U.S. troops, most observers would agree in retrospect that the president's evaluation of U.S. intelligence reports was wrong.

Instructive

The facts of the Dominican case are instructive: Impressed by embassy reports that a military coup in Santo Domingo and Communist involvement with the victorious "rebels" might produce a "second Cuba" in the Caribbean, Johnson ordered U.S. Marines to land at Santo Domingo on April 28, 1965. On April 29, with intelligence reports streaming into Washington about alleged Communist activities in Santo Domingo, the president ordered in the 82d Airborne Division. For the next six days, an aver-

age of 243 U.S. flights a day landed in the Dominican Republic, one every six minutes around the clock.

Soon, nearly 23,000 U.S. troops paroled Santo Domingo, almost half as many as were then serving in Vietnam. Explaining this major intervention to the U.S. people on May 2, the president declared that "what began as a popular democratic revolution very shortly moved and was taken over and really seized and placed in the hands of a band of Communist conspirators."

No one can say why Johnson chose to present his conclusion with this hyperbole. We do know, however, that the president had the benefit of various intelligence reports and assessments, some of which Johnson could reasonably have interpreted as supporting his assessment — and that reached by some of his advisers — that the Dominican revolution was falling under Communist control.

We also know, however, that in the end it turned out to be impossible for the administration to sustain its justification, notwithstanding massive efforts to drum up evidence — even the dispatch of scores of FBI agents to the Dominican Republic with orders to find the pieces that would fit into the prepackaged puzzle.

And we know more. It turned out, in fact, that every specific report of actual Communist involvement on the rebels' side proved to be unsubstantiated, with the exception of information concerning the prior training in Havana of a score of Dominican Communists and the mild public encouragement given to the rebels by Radio Havana. Among the false reports were these:

- That specific key rebel supporters were Communists or Communist sympathizers;
- That specific leaders of the "loyalist" side had been killed;
- That various banks had been sacked;
- That Dominican Communist leaders had met and reached various agreements with rebel political and military leaders;
- That a telephone call had been intercepted between Cuba and the rebel leadership;
- That the rebels were using grenades manufactured in Communist China;
- That a mini-submarine from Cuba was supplying the rebels;
- Even that Che Guevara had landed in Santo Domingo to take charge of the rebel movement.

CIA speculation that mysterious European figures in the rebel entourage were Communist agents,

and that an unidentified ship to Santo Domingo harbor might have been bringing in weapons to the rebels were equally unsubstantiated. Each of these reports was forwarded from Santo Domingo to Washington.

Some were taken very seriously; none was accurate.

Misleading

Historical analogies, of course, can be highly misleading. By no means am I arguing that the U.S. response to the Zaïre situation this year is exactly like our response to the Dominican Republic crisis in 1965, nor that Jimmy Carter resembles Lyndon Johnson. Far from it.

It may be useful to remind ourselves, though, how domestic pressure, international rivalries, bureaucratic routines, and psychological predispositions can sometimes combine — as they did in 1965 — to produce at the highest levels of government, erroneous evaluations of intelligence reports.

Abraham F. Lowenthal, former director of studies at the Council on Foreign Relations, now heads the Latin American program at the Woodrow Wilson International Center for Scholars in Washington. He wrote this article for the Los Angeles Times.

Danger of a Shattered Center

By David S. Broder

ST. PAUL, Minn. — A man I know who once worked in the White House, two or three administrations ago, had a story he liked to tell.

He had been a teacher and when his former students came to see him, protesting, as students did then, whatever was the current governmental outrage, he would do his best to construct a rationalization for the policy that had upset them.

He did it, he said, knowing that they took his arguments simply as a demonstration of bureaucratic or political loyalty. But actually, he said, there was another reason: "If I had told them the truth, that is, that the government was really just something that got by us until it was too late to stop, they would have been terrified. Young people are prepared to deal with malice; they're not prepared to deal with the idea that no one is in charge."

Reminded

I have been reminded of this several times in the last few weeks, as I have heard some of the brightest young people in U.S. politics — of strikingly different political backgrounds and views — talking independently of what has become their new focus: rebuilding of the shattered center of our political consensus.

I heard it eloquently put by John P. Sears, the young lawyer who, before he was 30, had played a key role in putting Richard Nixon in the White House. He saw how that chance to "bring us together" was lost, and then moved on to direct Ronald Reagan's almost successful, but highly divisive, bid for the 1976 Republican presidential nomination.

Sears is, in conventional terms, a strong conservative. But his main goal now, he says, is to find and elect a president who can redefine and enunciate the missing center of U.S. politics.

I heard the same view from two young men of the left, here last weekend for a conference and reunion of some of the radical anti-war and civil rights activists of the 1960s.

young men of the left, here last weekend for a conference and reunion of some of the radical anti-war and civil rights activists of the 1960s.

Sam Brown, who came out of the McCarthy campaign to lead the Vietnam Moratorium protests a decade ago, is now the head of the Action Agency, running the Peace Corps and the Vista volunteers.

In 1968, he was a dump-Johnson leader, but now he is advising against a dump-Carter movement. That is easily understood in terms of bureaucratic and political loyalty. But, like my friend from an earlier administration, Brown has another reason for his rationalizing: He has perceived the danger of the shattered center.

"I'm not sure it was a mistake in the 1960s," he said, "but it's a pattern you can't afford to continue. There is no liberal center in Washington — in the executive branch or in Congress. And what that means is that any five people who want to say no to anything can say so."

The final unsolicited testimony came from the most surprising source of all — Tom Hayden. Hayden was a leader of Students for a Democratic Society, a defendant in the Chicago Seven Trial, a thoroughly disruptive radical force in the 1960s.

But now, he told his fellow activists, "I'm more concerned about the failure of the center than the rise of the right. Our moderate-liberal-populist president isn't doing very well. In fact, his administration is disintegrating."

Later, he mused more broadly on why this might be. "Sometimes," he said, "it seems to me the country can't be governed right now by anybody because there's no consensus."

"We had stable presidencies roughly from 1900 to 1960," he said, "but no one under 18 remembers that."

bers (or more accurately, has lived in) a normal presidency. For a long time, the country had a roughly bipartisan consensus — the New Deal at home and the cold war abroad. But that fell apart in the 1960s, with the civil rights movement, the women's movement, and the war in Vietnam, all started by liberals.

"With that consensus in shreds, it becomes harder to be president. I think Carter and all of them recognize that, but they approach it as a public relations problem for Gerald Ralston to solve. I read [pollster] Pat Caddell's memo — the one he wrote Carter a month after the election — where he said the big problem is to create a new consensus because the country has no sense of purpose."

'Not There'

"Well, you don't chop a sense of purpose out of the typewriter 'cause you need it. It's either there or it's not there, and either now, it's not there."

The country has no glue. Liberalism has no substance any more, because most of its goals have been achieved. Everybody is adrift, putting together their own 10 percent or 20 percent of the action. But we don't have a proportional government. We have a system that depends on a 51 percent presidential majority. But 51 percent of the people don't agree on anything. They were for Carter, yes, but not for any particular reason. So he becomes president, and they don't have Gerald Ford to kick around, and his 51 percent starts falling apart."

"I used to be absolutely sure I knew where things were going, but now I don't know. I only know the stalemate is for real."

There are no easy answers coming from Sears or Brown or Hayden. But somehow I found more hope than I expected in the fact that these three talented and diverse young men at least have got the question right.

As Brown put it, "Since a lot of us helped to create the rubble, it's only fair that now we help put the building back together."

Reflecting On Trials In Moscow

By Joseph Kraft

WASHINGTON — "What would you think if our Soviet correspondents in the United States had friendly ties with dissident groups like the Weathermen and the Indians at Wounded Knee?"

"Your country consists mainly of immigrants, so insisting on the rights of immigrants is a politically popular doctrine, even a kind of fetishism. But a state like the Soviet Union will not give way to outside pressure when carrying out domestic policies, especially when dictated by those circles."

"Foreign journalists in this country study two things. In the morning they get up and read the official press. In the evening they go out and see those who want to emigrate. But the truth about Russia is not in the official press, nor with the dissidents. It is in between, with the millions of Russians who want to live here and improve the climate."

Those comments were made to me in Moscow by three fairly important Russians in the week before the trials of Anatoli Shcharansky and Alexander Ginsburg. I cite them not because I think they are right, but they do put a corrective on the reaction of offended outrage so widespread in the United States, and a corrective is needed to the interests of the dissidents themselves. Not to mention Soviet-U.S. relations.

The first comment was made by Georgi Arbatov, the director of the U.S.A. Institute in Moscow, and the leading Soviet student of the United States who has close ties to the Kremlin. Most Americans, I believe, would be irate if the correspondents of Tass, Izvestia and Pravda were in touch with such groups as the Weathermen and the Indians at Wounded Knee on a distinctly favorable basis.

But that tends to be the case with U.S. reporters and the dissidents in the Soviet Union. So if nothing else, there are traces of a double standard in the unbridled U.S. reaction to the trials.

To be sure, the analogy is weak. The Weathermen and the Indians committed acts of violence against other citizens. The pressure of the dissidents could easily be relieved if only they were allowed to leave the Soviet Union.

However, the Soviet Union has long regarded those who want to leave the country as enemies of the regime.

That is a main reason why the trials were held. It is the point of the second comment, which was made by Leonid Zamyatin, the former director of Tass, who now serves as kind of a personal press secretary for President Leonid Brezhnev.

The third comment, which seems to me the most important, was made by a leading Soviet painter Yuri Glazunov. I think he is right in asserting that the dissidents who want to leave the Soviet Union are not representative figures. On the contrary they are a tiny minority, largely Jewish, whose complaints have become an international cause célèbre precisely because they have contacts abroad through the press and television.

The Jewish dissidents are not simply unrepresentative. They are as Glazunov suggests, an object of suspicion to many Russians. It is highly tempting for the regime to persecute them particularly when as now, it is frustrated in efforts to improve the domestic economy and promote the policy of détente with the United States. Given that temptation, indeed, the lumping of trials in the same week, the relatively innocuous play in the Soviet press, as well as the access allowed Western reporters to relatives of the defendants, are signs of a certain restraint.

The unwillingness to go all-out for a long series of anti-Semitic show trials suggests that there is a Soviet Union a group who cares about improving conditions. That group is built around sensitive, humane Russians with skill and abilities forged in the West that give them influence in leadership. Its members do not want to leave their country, as they are not particularly partial to the dissidents.

But they represent the best instrument for promoting change in the better to the Soviet Union. The United States should not see the little capital it has with the Soviet Union in dealing cards to them rather than to the Jewish dissidents. For while the reformers are small in number and not great influence, they and they alone hold out the possibility of the kind of internal evolution required to prove U.S. relations with the Soviet Union over the long pull. And they alone can make the extraordinary heroism shown before and during their trials. Shcharansky and Ginsburg should be — unnecessary.

Away From 'Good Old Boys'

Northrop Realigns Effort At Washington Lobbying

By George C. Wilson

WASHINGTON, July 18 (WP) — The Northrop Corp., whose F-18 fighter plane is under challenge, has increased the political breadth of its lobbying team in Washington while remaining solidly hooked into the "old boy network" of military officers.

The political spectrum of the aerospace firm's new lobby team now stretches from a Georgia connection, Joel Paris 3d, Georgia's National Guard director when President Carter was governor, to the new-style, low-key lobbyist William Timmons, formerly President Nixon's liaison with Congress.

And, judging from this year's lobby reports filed with the House of Representatives, Northrop is backing away from its old-style lobbyists, who gained notoriety by taking Washington influential goose-hunting on Maryland's Eastern Shore.

"The ranks of the old-fashioned 'good old boys,' both up here and among the lobbyists, are thinning out," said one longtime congressional observer of defense lobbying. "Today's senator or congressman is more likely to want a position paper than bear a lobbyist tell him the latest dirty joke before saying what he wants."

Paid \$115,000

One of Washington's most celebrated "good old boys" in the military lobbying set is retired Maj. Gen. Winston Wilson, former head of the National Guard Bureau at the Pentagon. Northrop paid him a total of \$115,000 from 1971 to 1974, according to the Defense Contract Audit Agency.

Of that \$115,000, the government allowed Northrop to charge \$24,000 to the taxpayers as contract costs.

But Gen. Wilson's role with Northrop is fading, if reported earnings are a reliable indicator. Gen. Wilson, in his latest lobby report filed with the House, said Northrop paid him \$5,800 for the first quarter of this year.

Northrop's new Georgia connection, Mr. Paris, a retired Air Force colonel, was appointed adjutant general, the head of the Georgia National Guard, by Mr. Carter in November, 1971. He served until

January, 1975. Mr. Paris states in his latest lobby report that Northrop paid him \$1,000 last year. A Northrop spokesman said that Mr. Paris is still on the company payroll.

The New Breed

Mr. Timmons, who filed in April as a Northrop lobbyist, represents the new breed dominating today's lobbying fraternity — cool, shrewd and well-connected. He is not the back-slapper of the old days but "almost diffident," said an observer of Mr. Timmons' lobbying.

Mr. Timmons said in the preliminary lobbying report he signed April 4 that he could not yet estimate how much Northrop would be paying him.

Northrop has hired additional congressional expertise for its Washington lobbying operation by employing the McLean, Va., consulting firm headed by Jack McDonald, a Michigan Republican who served in the House from 1967 to 1973. Mr. McDonald said Northrop paid his firm \$6,750 for the first quarter of this year.

Legal and public-relations service beyond that provided by the corporation's in-house employees comes from Washington lawyer Paul Arneson and from Stanley Sommer. The latter is the highest-paid of the current crop of registered Northrop lobbyists.

Former Newsman

Mr. Sommer was a Washington newsman and staff member of the Senate Appropriations Committee before going into public relations. His public-relations firm had received \$824,000 from Northrop through 1974, according to the Defense Contract Audit Agency. His most recent lobbying report, signed April 20, states that Northrop paid the firm \$15,000 for the first quarter of this year.

Northrop signed an agreement with Mr. Sommer in 1975 calling for his firm to "represent Northrop Corp. in its relations with the Congress and related units of the federal government. Specifically, by contact with congressional leaders and committee staffs, [to] promote Northrop products and services by



PREMIXED SALAD: THE 'POMATOTATO' A Copenhagen laboratory greenhouse boasts this first fruit of a genetic cross between tomato and potato plants. The genes were fused at the Max Planck Institute in Tuebingen, West Germany. Four of the "pomatotato" plants have flowered so far, confirming one of the most advanced achievements in genetic manipulation in the world. The new variety contains genes from both of the parent plants.

providing information on programs and proposals made to the agencies and departments of the United States government . . .

The Defense Audit Contract Agency, in reviewing Northrop's billing of the government for Mr. Sommer's services, said the charges were "questionable" because they represented nonreimbursable lobbying activities. However, the government ultimately agreed to let Northrop charge it \$535,000 of the \$824,000 paid to Mr. Sommer's firm through 1974.

Northrop is hooked into the "old boy network" through the scores of former military officers it has hired.

61 Former Officers

According to the Pentagon's latest rundown of retired and former military officers on the payrolls of defense contractors, Northrop, in fiscal 1977, had 61 former military officers in its employ — triple the number on the payroll of McDonnell-Douglas, the aerospace contractor that got the most defense contracts that year.

While McDonnell-Douglas ranked first in dollar awards in fiscal 1977, Northrop ranked 10th, with \$986.2 million worth of Pentagon work. Lockheed, the second-biggest defense contractor in fiscal 1977, had 68 former military officers on its payroll.

Northrop's prosperity, if not its survival as an airplane builder, depends heavily on selling its fighter

planes overseas. The company's F-5 light fighter has been sold to countries all around the world, but not to any U.S. military service for combat.

To keep up its overseas sales, Northrop is anxious to sell abroad the F-18 fighter it is building with McDonnell-Douglas. The F-18 now is slated to be sold in fighter and ground attack versions only to the U.S. Navy and Marine Corps.

Program Threatened

Last week, Sen. Gary Hart, D-Colo., urged the Senate to kill the F-18 program. He said that the plane is running way over its predicted cost and would not be as good as the existing F-14.

Sen. Hart noted that Navy Secretary Graham Claytor earlier this year argued for killing the F-18 and using the money to buy more F-14 fighters and A-7 attack planes. The Senate rejected Sen. Hart's amendment 68-22. Afterward, Sen. Hart said that there was tremendous contractor lobbying for the F-18, including a call to him from a Northrop lawyer urging him to withdraw his amendment.

The Navy is expected to continue to be short of airplane money, keeping the F-18 under heavy challenge in the Pentagon, White House and Congress.

The continuing challenge to the F-18 helps explain why Northrop is beefing up its Washington lobby operation.

Tug-of-War in U.S. to Lure Jobs, Payrolls

Businesses Bombarded by Relocation Ads

By James P. Sterba

NEW YORK, July 18 (NYT) — Cities, states and regions around the country are bombarding businessmen with enticing slogans and advertisements, in an escalating tug-of-war to attract companies, with their jobs and payrolls. Using millions of tax dollars as well as private business contributions, they have turned increasingly to advertising professionals to tell companies, in effect:

"If you're somewhere else, the grass is greener over here. If you're already here, better stay because the grass is not greener over there, regardless of what the people over there are telling you."

Remember Fun City? Well, if you're a businessman, you are supposed to forget it, because "New York is finally getting down to business," says New York State. "We're not giving business the business any more. We're giving it a break."

The Windy City? Not any more. Chicago now calls itself "Fund City," a place loaded with borrowable cash for business expansions.

San Diego, meanwhile, "is zoned for SUCCESS," and Dallas/Fort Worth has "the right attitude."

Taken For Granted

The sharp economic slowdown at the turn of the decade, with its factory closings and lengthening unemployment lines, made local politicians acutely aware that economic growth was not something they could take for granted, as many of them had in the past.

Long before that, corporations, in growing numbers, stopped assuming that they were rooted forever in their present locations and began exploring the financial and environmental benefits of pulling up stakes.

Regional competition started out in gentlemanly-enough fashion, but it quickly turned into bickering and name-calling. The next step was logical: the hard sell.

With advertisements in national newspapers and magazines, for example, the Texas Industrial Commission advises, "When the old corporate tax bite eats away profits, CUT OUT FOR TEXAS." Meanwhile, the New York Department of Commerce asks, "Who says the grass is greener in Greenwich?"

Then, the ad warns: "Once you know all the facts, we think you'll see that the grass isn't greener in Greenwich and the Sun Belt isn't so hot either."

Rejected by The Times

The New York Times, incidentally, printed the above ad Feb. 28. Last month, however, it rejected an ad from the Jacksonville Area Chamber of Commerce in which the Statue of Liberty was portrayed hitchhiking south under a headline reading, "Everyone's leaving New York for the big city."

"We made it clear to them that they were perfectly free to say positive things about Jacksonville, but not at the expense of New York City," said Sydney Gruson, executive vice president of The Times. Mr. Gruson said that at the time the Jacksonville ad was rejected, he was not aware that The Times had printed the New York State ad critical of Greenwich and the Sunbelt.

He called it "an oversight" that would be rectified in the future to insure consistency in the newspaper's advertising acceptance criteria.

Ironically, most of those responsible for the ads said in interviews that they did not know whether or not they were effective in luring or retaining businesses, although they did believe their area's overall im-

age was probably enhanced in the eyes of businessmen. Others, however, questioned their usefulness, saying that responsible companies did not make major relocation decisions on the basis of commercials.

Regardless of their effectiveness, the numbers of such ads, and the amounts of money spent on them, have increased sharply this year and have been growing steadily since the early 1970s.

Last year, nearly \$7 million was spent in magazines alone, according to the Publishers Information Bureau Inc., and the number of such ads jumped 40 percent in the first three months of this year from the same period last year. Major newspapers, such as The New York Times and the Wall Street Journal, have shown similar increases.

"A lot of states have done this for a long time, but now they're all discovering advertising and marketing," said Martin Stern, executive vice president of Wells, Rich, Greene Inc., the advertising concern hired by New York State to develop its "getting down to business" campaign. It ran in major magazines and newspapers in the United States and Europe from January through March and cost about \$1 million, according to William Doyle, deputy commerce commissioner for marketing.

The Tulsa Economic Development Committee, meanwhile, plans to spend roughly \$440,000 this year to polish its image. And the Economic Development Corporation for San Diego County in February mounted a \$500,000-a-year campaign, four times its old annual budget, to flit with outside companies.

Hartford Differs

The Connecticut Department of Commerce advertises heavily, but the chamber of commerce in its capital city, Hartford, considers it a waste of time.

"We don't think it's effective," said Robin Hogen, the chamber's communications manager. Instead, Hartford invites corporate executives in for "red carpet tours" during which they get to rub elbows with local businessmen and celebrities and have dinner with Gov. Ella Grasso at the governor's mansion.

New York State's campaign is believed to be the only one in the country in which an area has admitted treating business badly in the past. In newspaper and magazine ads, it said, "In the past, New York gave business a hard time. But that was in the past. Today, we're making up for letting business down."

Unexpected Fail-Safe Factor Works for Parachutist in U.K.

SHOBDON, England, July 18 (AP) — Jonathan Vowles, 16, plunged 2,600 feet yesterday after his first parachute jump went wrong, but escaped death when he crashed through the small skylight of a hangar and his parachute lines snagged.

He was left dangling only two feet from the hangar's cement floor when his lines caught on the broken skylight frame.

Jonathan, one of six schoolboys who volunteered to jump with the army's skydiving team, suffered only strained ligaments in his right leg. Hobbling around his home with his leg in plaster, he told of his freak escape after jumping from a Cessna aircraft above this airfield northwest of London.

"I pulled the ripcord, but the main parachute failed to open properly when one of the lines looped over," he said. "I pulled the emergency chute at about 1,800 feet, but it also malfunctioned and wrapped around me."

He added: "Although my main chute was only partly opened it was just enough to slow my fall. The next thing I knew I'd crashed through the skylight and was hanging from my chute."

Jonathan said he plans to join the army, "but one thing's for sure — I won't apply to join the paraatroopers."

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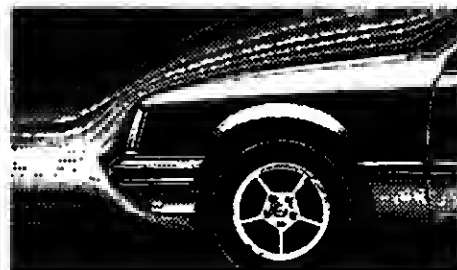
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The Senator is a product of the dictates of functionalism. Function was the principle underlying the Senator's entire development, and it has led to a new era of comfort and excellent performance. The Senator's lines were determined by the wind tunnel. Its sleek nose pierces the air with none of the battering-ram turbulence associated with some other luxury cars. Its aerodynamically sound, uncluttered shape results in a superior



level of efficient performance and an alert response which are unusual in an automobile of this high calibre.

The Senator's sleek appearance and highly maneuverable exterior dimensions may leave you unprepared for its lavish interior space. Again, this is the result of applied functionalism. The Senator's passen-

ger compartment demonstrates the art of tasteful elegance. You will feel at home in the Senator from the moment you get behind the wheel. All controls are located exactly where you always felt they should be. The Senator embodies your kind of luxury — tailor made to your driving preferences.



Interacting with the Senator's free revving, high performance 6-cylinder engines is a totally new suspension system based on McPherson struts in front and a fully independent design at the rear. The Senator combines extreme high speed capabilities with precise, safe, neutral handling. At last, superior performance and true luxury can be found in one automobile.

The new Senator represents a new concept in what a luxury car should be. For a most enlightening and exciting experience, you can arrange for a test drive at one of the many Opel dealers throughout Europe soon.



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English Theater in Vienna

Patrick White Weighs Ethical Values

By Thomas Quinn Curriess

VIENNA, July 18 (IHT) — That enterprising institution, Vienna's English Theater, is giving "Big Toys," a play by Patrick White, the

Australian author who was awarded the 1973 Nobel Prize for literature, its first performance outside its native land.

In its 78-year history, the Nobel Prize has been bestowed on only 11 dramatists: Bjornson, Echegaray, Maeterlinck, Hauptmann, Benavente, Shaw, Galsworthy, O'Neill, Pirandello, T.S. Eliot and Beckett. Among those who have been bypassed are Ibsen, Chekhov, Strindberg, D'Annunzio, Porto-Riche, Hofmannsthal, Claudel, Gorky, Wedekind, Schnitzler and Brecht, all giants of the modern dramatic movement.

This disproportionate list suggests that drama is ranked below fiction and poetry by the Stockholm jurors. The committee turned a deaf ear to the campaigns for the prize to be accorded to the German Naturalist innovator, Arno Holz, and Sean O'Casey, Melchior Lengyel, the Hungarian playwright, became a candidate on reaching the age of 94, but lost out to a novelist. He could wait no longer for the honor and died before he could be reconsidered.

Patrick White's international reputation is founded on his novels, but like the Nobel Prize poets Yeats and Tagore, he has written several plays. His "Night on Bald Mountain" has been described as an Australian "Who's Afraid of Virginia Woolf?" His "Season at Sarsaparilla" is a caustic comedy of suburban manners. His "A Cheery Soul" depicts a virtuous spinster destroying herself and others with her compulsion to do good, and his "Ham Funeral" employs the musical-hall approach to draw a metaphorical portrait of a London boarding house.

Premiere in Sydney "Big Toys" had its premiere in Sydney last September and is scheduled for Broadway in the autumn. Its present production in Vienna in English is probably bound for London's West End.

White's latest play is a weighing of ethical values in today's topsy-turvy world. It occasionally becomes vague in its mixing of the general and the particular, but it is almost always fascinating, a discussion of ideas with rumbling melodramatic undertones.

Its protagonist is on the surface a stock figure, a young man of humble origin and high ideals caught in the net of his cynical social betters, the guileless fool come to Venus' crimson court. We have had him often before. He was an artist of innocent purity in Sudermann's "Sodom's End"; he was a rising matador in Ibanez's "Blood and Sand"; and he was a runaway bank teller in Bero's "Moon-Flower." In "Big Toys" he is a fiery labor organizer, a platform spellbinder and an embryonic politician.

There is certainly irony in White's selection of his "hero's" profession, for compromise is obligatory in the successful public man and the author has juggled the account of his education sardonically. His silver-tongued orator is covered by the frivolous wife of a lawyer who specializes in the defense of shady clients. The Marxist Cicero succumbs to her flattering admiration and becomes her lover, to the satisfaction of her complacent husband. There is subterfuge in this seduction. The defense attorney is anxious to have the leftist firebrand testify on the behalf of an aggressive capitalist, a former intimate of the young man who has gone over to the class enemy.

At the trial the labor leader does not perjure himself, but he refrains from offering condemning evidence, and the turncoat whom he hates is acquitted and let loose to apparently corner the uranium market for nefarious ends. The deceitful couple may have won a victory over the youth's unalloyed integrity, but he severs relations with them, having learned a valuable lesson. He is no longer the starchy-eyed bumpkin of the start, he has gained a necessary polish by the association and he goes forth to continue his career, his personal



Helen Gill and Peter Wyngarde in Patrick White's "Big Toys."

tastes having shifted from beer to bonded Scotch.

The main theme is sometimes clouded by the ambiguous behavior of the trio — the husband, wife and lover — the only characters who appear. There is eccentricity in their relationships and hints of bizarre sexuality. Two near-nude boudoir scenes have been inserted, perhaps to lend a racy tone, for neither moves the action forward; he as elsewhere, White is disclosed as a novelist fumbling with the playwrighting pen.

The production of Vienna's English Theater adroitly camouflages the theatrical blunders. It avoids the pitfalls of a script that now and again skirts the burlesque, maintaining firm control over several difficult passages. For this shrewd, intelligent direction of Peter Wyngarde is deserving of full marks and he plays the only lawyer with delightful drawing-room elan,

an excellent and very entertaining performance.

Helen Gill scores as his lascivious wife, a brainless slut visited by sudden pangs of conscience, and Keith Buckley is the socialist Samson who escapes with the loss of only a few locks instead of being shorn of his power. Roderich Prokisch has provided the miniature stage with a handsome set of the luxurious apartment overlooking Sydney Harbor.

In addition to this resourceful presentation of White's interesting play, Vienna's English Theater has sent out a touring company with J.B. Priestley's "An Inspector Calls" to play the towns of Austria and Germany this summer. A total of 150,000 students are now subscribers to these theatrical tours of plays in English, which began in 1967 with only 800 subscribers, a triumph for the organization's manager, Franz Schafraek.

Music in Paris

Venture into Schubert, Known and Neglected

By David Stevens

PARIS, July 18 (IHT) — The Festival Estival began its 13th season of putting some music into the somnolent Parisian summer with an all-Schubert concert that managed to venture into little-known realms without descending very far from the heights.

The adventurous part of the program was the assortment of incidental music that Schubert wrote in 1823 for "Rosamunde," a play that failed so quickly and thoroughly that it must have seemed in the composer's lifetime to be just another of his ill-fated approaches to the stage. Yet the music — overture (borrowed from an earlier opera), three entr'actes, three choruses, a song and ballet music — is never less than typical, and often much more than that.

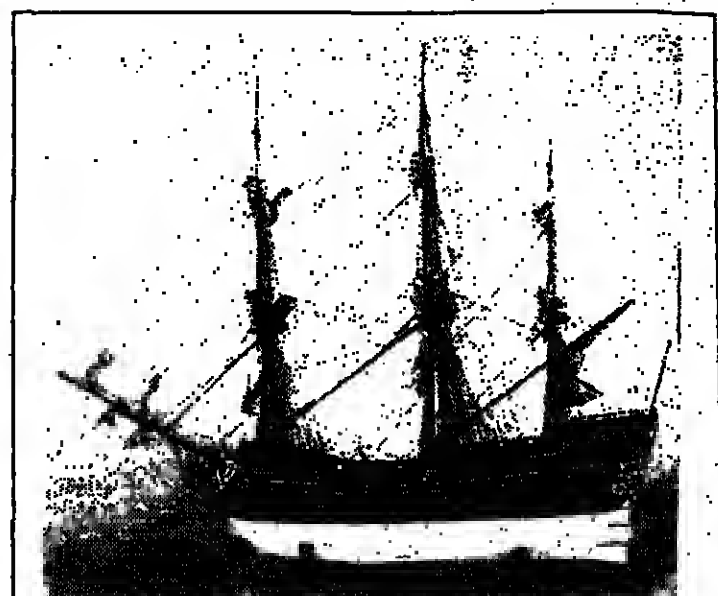
The "Rosamunde" music that has made the name universally popular is mainly the closing ballet divertissement, and there is an Andantino that also is known in part because of Schubert's later self-borrowing. But the first entr'acte could be a symphonic movement, full of strong contrasts and much elaborate interplay between winds and strings. The wind instruments add much to the contrasting climates of the choruses — for huntsmen, spirits and shepherds — and Rosamunde's three-verse romance could take its place, even out of

context, among the composer's songs.

Theodor Guschlbauer and the Nouvel Orchestre Philharmonique, aside from some lapses in the trombone department, did their best by the music, catching all its shifts of mood from bucolic to noble. The chorus of the Sorbonne sang well enough, but conveyed little of the theatrical context, while the Swiss mezzo-soprano Clara Wirz infused the romance with a bit more dramatic weight than was strictly necessary.

Perhaps the best clue to the substance of the "Rosamunde" music, which composed the second part of the program at the Maison de Radio-France, did not seem much of a letdown after the first, which consisted of the "Unfinished" Symphony, splendidly played by the orchestra and led with unburied expansiveness by Guschlbauer, who seemed to let the music unfold with an easy naturalness that added to its grandeur.

The concert's mixture of repeating well what bears infinite repetition and giving a hearing to worthy but little-known pages corresponded handsomely to a festival's duties in a commemorative year — the 150th anniversary of Schubert's death — and got Paris' musical summer off to a most lyrical start.



PIECES-OF-EIGHT — The above is a model of same type of ship as the Amsterdam, an East Indies Co. merchant vessel which ran aground near Hastings, England, in 1749. First steps are expected next month to raise the ship and its cargo and build a special museum in the Netherlands to house the historic find. Research on the wreck, which was discovered by a construction crew working near Hastings in 1969, indicates that chests full of 18th-century silver pieces-of-eight may have been among its cargo. The American Express Foundation has provided a \$13,000 grant to help raise and preserve the Amsterdam, which was carrying 4,500 tons of goods and 334 passengers and bound for Batavia when it sank in stormy English Channel seas.

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Disorderly Sexual Life of the 'Fruit of the Angels'

Shortly after landing in the West Indies, Christopher Columbus confided to his journal that the natives were "very strong and live largely on a tree melon called 'the fruit of the angels'." I do not know of anyplace where this melon is attributed to angels nowadays, but it has a number of other names, of which the most widespread is "papaya."

It is often also called the papaw or pawpaw in the English-speaking islands of the Caribbean, a name I shall avoid since it is also given to an unrelated fruit of North America.

The papaya is also the *mango* in Brazil, the *melon zapote* in Mexico, the *lechosa* in Puerto Rico and the *fruta bomba* in Cuba. The explanation given for the term *fruta bomba* is that a small papaya looks like a hand grenade to Cubans, a comparison which does not seem to have occurred to anyone else.

The papaya leads a disorderly sexual life. Normally, some plants produce male flowers and others female flowers, which puts it in the category of "barem trees," whose cultivators usually economize precious soil by culling superfluous males from their plantations. In the case of the papaya, male trees are thinned out as soon as their sex can be determined, to leave one male for each eight to 15 females, though one authority has so much respect for the value of the soil (or the virility of the male) that he recommends a ratio of one to 50.

Hermaphrodite trees also appear, bearing both male and female flowers, while other trees change their minds in mid-career, and shift from male to female or vice versa. Miscegenation is rampant, too. There are numerous varieties of papaya, and in Florida, the only place in the continental United States where the fruit can be grown with consistent success (the rest of the country knows the papaya chiefly through its juice), there are thousands of papayas

which have escaped from cultivation and are growing wild, most of them relatively worthless as food providers, whose pollen invades cultivated plantations and plays havoc with their offspring.

Native of Caribbean

The papaya is a native of the Caribbean region, the islands and some of the mainland which rings its sea: Surinam, Brazil and probably Mexico. It is a swift traveler and was growing in Peru during the first millennium of our era, as we know from Chimu and Nazca pottery made in its shape. It seems to have been planted in other tropical areas of the world not long after Columbus first encountered it, for in 1626, when it is recorded that it was introduced into Nepal, the seeds did not come from the West Indies but from the East Indies, where the fruit was already well established. It seems to have been brought to the Philippines by the papaya reached the Philippines.

One of the reasons for the rapid spread of the papaya seems to be that the Netherlands, France, England and Portugal, colonizers shortly after Spain of Latin America, had East Indian trading companies as well as West Indian ones. In areas relatively neglected by these powers — China, Japan and some of the islands of the Indian Ocean — the papaya is not reported before the 19th century. There seems to be no record of its first appearance in Africa, but it should have been early, if only because of the slave trade.

One authority thinks it was first planted in the Congo, and it is indeed in tropical Africa that it is most widely eaten today, though unique, coded like a vegetable. Otherwise the papaya is only sparingly used in Africa, being more popular in Asia (India, especially) and, in several Pacific islands (Hawaii, Fiji). Nowhere is it more important than in its native tropical America, where, second only to the banana, it is universal and cheap.

Another reason for the speed with which the papaya became distributed throughout the tropical world is that it is a quick grower. Raised from seed, it produces fruit a year after it has been planted in the open in its favorite climates, though it may take up to 18 months on the outer fringe of its range. A papaya tree bears from 12 to 30 fruits per year, but for only three or four years, and frequently dies by the fifth.

Food for a Dozen

The fruit may vary from spherical to cylindrical. It does indeed suggest a melon, to such an extent that the plant is sometimes called the melon tree. But the fruit is apt to be larger than a melon, 15 pounds in weight (it can reach 25, and a length of 20 inches); a single large papaya can serve a dozen persons.

The fruit has a smooth green rind like that of many melons, sometimes marked longitudinally with dark stripes, also like some melons; some varieties remain green outside even when ripe, but most of them turn yellow or orange. The flesh ranges in color from a pinkish white through yellow and salmon to orange, which in India becomes almost red. Cut open longitudinally, it is found to have a central cavity filled like that of a melon, with seeds, rough, wrinkled, pea-sized, shaped like a somewhat flattened egg, and black, so that it looks like a melon filled with caviar.

Accounts of how papayas taste are conflicting, for there seems to be a large subjective element in its appreciation. Tourists who encounter it for the first time expect it to taste like a muskmelon, the fruit it most resembles, and when it doesn't, they are put off.

There is a certain musky flavor about some papayas, more or less marked among different varieties, of a kind different from that of the muskmelon. Its chief taste defect, when you happen on a fruit not of the very top quality, is a lack of taste — that is, it is unrelievedly sweet (it contains from 7 to 9 percent of sugars), which can become cloying. Some varieties, however, offer a slight redeeming acidity, which is subtle, but makes all the difference.

The most remarkable property of the papaya is its ability to make

tough meat tender. Its juice and latex, contain an enzyme called pepsin, which can be obtained from the trunk, the unripe fruit, the leaves or the seeds. It acts like pepsin, the element in gastric juices that breaks down animal protein tissues to digest the protein. This tenderizing capacity was used by pre-Columbian Indians; and the commercial tenderizers on our markets today are based on pepsin. Put a papaya leaf or two into a pot in which you are boiling tough meat and in a matter of minutes it will become so tender that it falls away from the bone. Wrapping tough meat in the leaves, or moistening it with a few drops of papaya juice, will produce the same magical effect.

©Waverley Root

Executives Rated by 'Stress Points'

SILVER BAY, N.Y. (UPI) — The corporate executive in today's hypertensive business world is five-sixths of the way toward a nervous breakdown, a management consultant said at a meeting here.

Dr. James J. Gallagher told the annual conference on "Human Issues in Management" that a substantial percentage of corporate managers can handle greater levels of stress than the average person because they have developed highly individualized methods of coping.

Dr. Gallagher, chairman of Career Management Associates of New York City, cited a table of 43 "life events" on and off the job that have been assigned "stress rating points." Psychologists view 300 on the stress scale as the "breaking point" for the average person.

"In today's world, the average executive functions with as many as 250 stress points, or five-sixths of the road toward a crackup," he said.

The most stressful event is the death of a spouse, followed by divorce at 100 points. At work, being fired carries 47 stress points, a business readjustment 39 points, changed responsibility 29 points, outstanding personal achievement 28 points and "trouble with one's boss" 23 points.

Even good news can accelerate stress. A happy family Christmas has a rating of 12 points, compared with 11 points for the distasteful experience of receiving a traffic ticket. The happiness of marriages is rated at 50 points.

Job changes are a major stress factor, Dr. Gallagher told the YMCA-sponsored conference, and an inability to handle stress has prompted many executive firings. "Corporate acquisitions lead to shake-ups, for example, and in many cases result ultimately in corporate divestitures which also put

individuals on the block," said Dr. Gallagher, whose firm has counseled more than 3,000 dismissed executives. "This is a two-way problem because the executive who has to fire is often nearly as disturbed as the person being terminated."

Stress exacts a high toll from corporate executives and produces high blood pressure, heart attacks, insomnia and weight loss or gain. Signs of emotional stress are manifested in anxiety, anger, irritation and depression, while behavioral responses to stress are exhibited by the shouter, stomper, hypochondriac, pill-popper, heavy drinker and smoker.

Since most stress-inducing situations cannot be avoided, Mr. Gallagher advocates a seven-point program of physical activity in the office to help executives improve their ability to cope:

- Stand up during phone calls.
- Take a "seventh-inning stretch" five or six times a day and between meetings.
- "Lie down in your office and listen to the sound of your breath," a practice Dr. Gallagher said helps to "blank everything out of your mind."
- Park at the far end of the parking lot to lengthen the walk to the office.
- Stand during brief meetings, an approach guaranteed to keep conferences short.
- Carry a heavy briefcase to get the exercise of carrying the weight.
- Flex arm muscles while carrying the briefcase to reduce tension.

stallions in the lower Great Lakes region were farming nearly 1,600 years ago, or about 200 years earlier than suspected.

The discovery was made by E. Leonard Kroon of the University of Windsor on a five-acre site in Kent County near this city across the St. Clair River from Algonac, Mich.

Dean Jacobs, research director of Canada's Walpole Island Indian Reserve, said that the discovery is of benefit to an ongoing effort to bolster Indian self-awareness. "We've always believed we were here from time immemorial," Mr. Jacobs said.

Previously, the earliest Indian farming in the region was thought to have been around AD 600. Using radiocarbon dating techniques, samples from Mr. Kroon's dig showed activity as long ago as AD 405.

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July 20, 1978

**U.K. Order
Would Win
Airbus Job****French Aide to Seek
British Commitment**

PARIS, July 18 (Reuters) — Britain could expect to participate in building a new-generation European Airbus provided that British Airways placed an order for the plane, French Transport Minister Le Theule said today.

France and West Germany will go ahead with the 200-seat aircraft, the B-10, without Britain, despite a sizable contract with United Airlines, the biggest airline in the Western world.

British Aerospace builds the wings of the earlier Airbus B-2 and B-4 in a subcontracting role.

Mr. Le Theule told a press conference he would discuss the whole matter with British Secretary of State for Industry Eric Varley in Paris Thursday.

"Of course, we hope that Britain will stay with us and come back into the Airbus organization as a full partner, but we cannot wait any longer; they must make up their minds now," he said.

He added that if British Airways placed an order for the Airbus "then British Aerospace can expect to do some work for us." Otherwise, the wings of the new B-10 would be built in France and West Germany, he added.

United Airlines recently announced it had placed an initial order worth \$12 billion for the rival twin-engine Boeing 767, instead of the B-10.

Mr. Le Theule told a press conference that loss of the United Airlines contract was "a major disappointment, but by no means a deadly blow," to the European Airbus consortium.

"People forget the Airbus was in the running with the American giant who has to reckon with the European aircraft industry from now on," he said. "And we will be in the market with our B-10 by the end of 1982, just about as Boeing puts its short-haul 767 in service."

**7 New Issues,
515 Million DM,
Set for Month**

FRANKFURT, July 18 (Reuters) — New-issue activity in Deutsche bank denominated Eurobonds will total 515 million DM in the month through Aug. 11, bond market sources said today, up from 330 million DM in the month ended July 12. They said the capital market subcommittee approved a calendar of seven issues.

The first of the new issues is a 75 million-DM private placement for Oesterreichische Kontrollbank. This will be followed by a 100 million-DM public issue for Chase Manhattan Overseas Banking Corp., 35 million DM for Unireal, 100 million DM for Nippon Steel, 75 million DM for the European Investment Bank, 65 million DM for Mitsubishi Petrochemical and 65 million DM for United Department Stores.

In Zurich, bankers said the World Bank plans to float its first public offering in the Swiss market since February 1977. That issue, of 200 million Swiss francs, had to be cut in half due to lack of response. The new issue is expected to be for 200 million francs and is likely to carry a coupon of 4 1/2 percent — the coupon level of most recent issues by supranational institutions.

Although it has not made a public issue in 18 months, the World Bank has made private Swiss-franc placements. The latest was a 300 million-franc, seven-year issue floated at par with a coupon of 4 1/2 percent. The bank is also in the process of negotiating a large issue to be denominated in DM. Officials of the bank have said they intend to concentrate much of their current borrowing in hard currencies due to the wide differential in interest rates.

**U.K. Urges Cut
In EEC Outlays**

BRUSSELS, July 18 (AP-DJ) — Britain called today for a substantial reduction of European Economic Community spending in its Common Agricultural Policy starting in 1980.

During one-day discussions of budget ministers of the nine member states, British Treasury secretary Joel Barnett said that in voting for the 1979 EEC budget, he would do so on the assumption "that action will be taken to bring about a substantial reduction in the cost of CAP in the budgets for 1980 and future years."

Speaking to reporters later, he noted that in budget appropriations totaling 14.66 billion European Units of Account (about \$18.3 billion), 9.59 billion ECU, or nearly 70 percent, are earmarked for CAP. Most of the annual budget rises in the EEC are also due to CAP.

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FINANCIAL NEWS AND NOTES**Nissan, Toyota See Profits Up**

Nissan Motor Co. said it expects profit before tax and special items in the half year ending Sept. 30 to increase from the 65.52 billion yen (about \$322 million) in the preceding six months. It noted this followed declines in profit in the two previous six-month terms. Meanwhile, Toyota Motor said it expects sales for the year ended June 30 to reach 2.6 trillion yen, up from 2.29 trillion yen the previous fiscal year and higher than an earlier forecast of 2.55 trillion. A company spokesman said the company appears to have maintained the same net profit in fiscal 1977 as the record 116.78 billion yen in 1976.

Grumman Sells Gulfstream Unit

A privately owned aviation company, American Jet Industries, has reached an agreement in principle to buy Grumman Corp.'s Grumman American Aviation, of Savannah, Ga., for a package of cash and stock totaling \$52.5 million. The purchase of Grumman American, which makes the popular Gulfstream business aircraft and is four times the size of American Jet, would make the Van Nuys-based firm a major competitor in the general aviation business. American Jet Industries, founded 27 years ago, specializes in converting commercial jetliners such as Conquairs and Electras from passenger to cargo aircraft for airlines around the world. Grumman agreed to sell the 80 percent of Grumman American common stock it owns and three principal owners of the remaining 20 percent also have agreed to sell to

American Jet. Grumman will continue as a preferred shareholder of Grumman American, and will continue testing and certification of the company's new Gulfstream III under contract with American Jet. Grumman also will provide engineering and marketing support, and will receive a commission on Gulfstream III sales.

Imperial Group Bids for Eastwood

Imperial Group Ltd. has entered the bidding for J.B. Eastwood Ltd. by offering 160 pence a share, or £38.2 million, for all outstanding shares of the British farming and poultry concern. Late last month, Cargill Inc., of the United States and Eastwood said they agreed on a £32-million offer with terms of 132 pence a share cash for every 5 pence ordinary share of Eastwood. Imperial Group, a diversified tobacco and brewing company, says it is seeking the support of Eastwood's board for its offer. Cargill says "we are studying the situation but we have not made a decision" on whether to make a new offer.

Oliveri Billings, Orders Up in Half

Oliveri's billings in the first half were up 14.8 percent from a year earlier at 648.8 billion lire (about \$764 million), president Bruno Visentini says, while orders increased 19.8 percent. He says the office machinery company made research investments of 350 billion lire during the first six months, while bank debt rose to 920 billion lire. Oliveri will begin marketing in September a new electronic typewriter. Parent company sales in the first half came to 276.3 billion lire, up 20.2 percent, he adds.

Industry Giant Protects Market Share**Digital Minicomputer Story Lures IBM**

MAYNARD, Mass., July 18 (AP-DJ) — Digital Equipment Corp.'s dazzling success in the minicomputer market has resulted in the company getting the unenviable reward of increased competition with computer-industry leader International Business Machines. But some experts wonder whether Digital is up to the match.

"You have to give credit to a very successful management group. But the danger signals are obvious," says Norman Zimbal, a computer-industry expert with the consulting firm Arthur D. Little Inc.

For now, DEC dominates the market for minicomputers, which range in price from about \$2,000 to more than \$200,000 — much like IBM dominates the world of large, very expensive computers. DEC accounted for 41 percent of the global \$2.7-billion minicomputer market last year, compared with second-placed Hewlett-Packard's 14 percent and Data General's 10 percent, according to International Data Corp., a computer-research firm.

In recent years, DEC also has been making larger computers that compete more directly with IBM and other large-computer manufacturers.

**U.K. Jobless
Up in July**

LONDON, July 18 (AP-DJ) — Unemployment in Britain rose for the first time this year with the seasonally adjusted jobless total for July rising to 1,371 million persons, or 5.7 percent of the work force, up from 1,365 million, or 5.7 percent, the previous month, the Employment Department reported today.

In July 1977, seasonally adjusted unemployment totaled 1,394 or 5.9 percent of the work force.

The department also said that job vacancies notified employment offices fell 6,400 to 211,000 on a seasonally adjusted basis — the first such decline since September, 1977.

Despite the latest rise in the jobless total, however, employment secretary Albert Booth said he did not believe that the statistics signaled an end to the gentle downward trend in unemployment. He did say, however, that "the increase is there and it is a problem."

More school leavers are expected to be seeking jobs next month, Mr. Booth said. He predicted that it would be September before the youth job opportunities program helped to improve unemployment figures.

Britain's "baby boom" in the late 1950s and early 1960s also will increase the number seeking jobs for at least the next four years, the department calculates.

**Banks Defer
\$185 Million
In Peru Debts**

LIMA, July 18 (AP-DJ) — A group of 170 foreign banks have agreed with Peru to defer \$185 million in repayments for six months, the government said today.

Fernando Reus, director of public credit for the ministry, said a final agreement is to be signed today in New York with Manufacturers Hanover Trust, representing the banks from the United States, Canada, Europe and Japan.

The \$185 million represents principal and amortization on outstanding loans from the banks (ITT June 3). The country's foreign debt is estimated by the government at \$8.27 billion.

**New Rules
Set for U.S.
Accountants****Response to Critics
By Industry Group**

NEW YORK, July 18 (NYT) — The American Institute of Certified Public Accountants announced yesterday a major restructuring of its operations for setting auditing standards. The move, which had been expected, was made in response to recent government criticism of accounting audits.

The organization, whose 140,000 members make up the vast majority of accountants in public practice, said it was replacing its 21-member Auditing Standards Executive Committee with a 15-member, rotating board plus a new independent advisory council to monitor the board's operations.

The organization also said it was expanding its auditing standards-setting staff from eight to 12 and was creating two new positions — a staff vice presidency in charge of auditing and a directorship of auditing research.

Last November, a Senate subcommittee issued a unanimous report recommending that improvements be made in the auditing process. That report stopped short of suggesting legislation. But recently, a House commerce subcommittee proposed a bill that would create a quasi-government agency to regulate the accounting profession in the way the National Association of Securities Dealers regulates stockbrokers who deal in the over-the-counter market.

The institute also opposed that proposal, arguing that it could, on its own, tighten corporate auditing standards. And in a report to Congress issued earlier this month, the Securities and Exchange Commission agreed that the organization should be given a chance to show what it could do.

"It's too early to tell" whether the institute's auditing organizational changes will satisfy the criticism in Congress, said John Chesson, legal counsel for the Senate subcommittee that recommended improvements. "They've come up with a plan," he said. "We'll just have to see it in action."

With intensified IBM competition in the minicomputer market and DEC's expanding line of larger computers, the day is rapidly approaching when DEC and IBM will compete in every area, Mr. Withington says. He wonders, however, what Mr. Olsen will do "once the IBM steam roller goes over his entire product line."

Mr. Olsen is not panicking. He views IBM's minicomputer entry as an effort "to defend their own (large-computer) business, since they've got a big market to defend." As for minicomputer technology, he said, "we're further ahead technically than ever before." DEC is not looking for a pitched battle, he adds, though. "We would be crazy to pick a fight with anyone that big."

But as to DEC's long-term plans for dealing with IBM, the usually affable Mr. Olsen buttons up. The key to good strategy planning, he notes, is that "you just don't tell what you're going to do." The refusal to diversify appears to be part of his strategy. DEC has considered and rejected entering the digital watch, calculator, electronic game and electronic cash-register businesses. "Computer application are still wide open," Mr. Olsen says. "There are dozens of things to be done."

**Iacocca Loses Ford Tasks;
Bourke Favored for Post**

DEARBORN, Mich., July 18 (NYT) — Lee Iacocca, who resigned last week under pressure as president of Ford Motor, effective Oct. 15, has been relieved of virtually all management responsibilities within the company, it was disclosed yesterday.

The three executive vice presidents who have reported to Mr. Iacocca have been directed — apparently by company chairman Henry Ford II — to begin reporting immediately to Philip Caldwell, deputy chief executive. The move means that Mr. Iacocca now has little, if any, say in the company's affairs.

**Merrill, Lynch
Raises Schreyer
To Presidency**

NEW YORK, July 18 (NYT) — Merrill Lynch, Pierce, Fenner & Smith Inc., the largest brokerage house in the United States, yesterday appointed William Schreyer as new president and the executive responsible for overseeing the recent merger of White Wolf into Merrill Lynch.

The 50-year-old Mr. Schreyer, who had been executive vice president-capital markets (in charge of investment banking), succeeds Thomas Cassidy, 57, who will take early retirement at the end of the year. The presidency of the brokerage firm is considered to be the No. 3 spot at Merrill Lynch, the holding company for the brokerage firm.

Mr. Schreyer, who joined Merrill Lynch in 1948 as a junior executive trainee, moved up through the ranks, serving first as an account executive, then as manager of a sales office, and later as a regional sales director. In 1973, he was named chairman of Merrill Lynch Government Securities Inc., one of the largest bond-trading operations on Wall Street. In 1976, he was made executive vice president of the Capital Markets Group.

"Stock-building won't really underpin production, as the level of inventories is once more considered to be above normal," it adds, concluding that exports will be the driving force of French economic activity in the coming months.

The sentiment is echoed by the Paris Chamber of Commerce in its monthly look at the economic situation: "The rise in production will slow down in the next few months with the expected easing of domestic demand for both consumer and intermediary goods, despite the support of foreign demand. No improvement in the situation of capital goods industries is foreseen."

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**To Block Pending Foreign Bids
N.Y. Drafts Bank Takeover Law**

By Robert J. Cole

NEW YORK, July 18 (NYT) — The New York State Banking Department, moving swiftly to curtail foreign takeovers said to be facing at least two major unidentified commercial banks, has quietly drafted new banking legislation to block such takeovers without state authority.

The legislation, requested on a rush basis by the state banking superintendent, Muriel Siebert, and supported by Gov. Hugh Carey, is expected to be made part of the State Legislature's special agenda and passed expeditiously.

"We don't anticipate we'll have any problem; it'll probably pass this week," said State Sen. Jay R. Robinson Jr., chairman of the Senate Banking Committee.

Foreign bids for control of five banks in New York state, including Arab interests seeking two of the five, are now or shortly will go before the State Banking Board for approval. Under present state law, prior approval is required to become a bank holding company but such a holding company is defined as one that owns 10 percent or more of at least two banks. A separate provision requires advance approval for someone owning 10 percent of a single bank to vote his stock, but has no present control over its acquisition.

Under present state law, one who owns no banks in New York — such as one of the many big foreign banking institutions — could legally acquire 10 percent of the stock of any bank in New York without the approval of the State Banking Board.

Blocking Takeover

The proposed law, in effect, would give the banking board authority to block a takeover before it begins by refusing to permit a potential buyer to acquire the bank stock.

Asked who had sought the bill, Miss Siebert said in an interview, "I want the bill. I have five banks in New York, conceivably up for control by foreign investors. The five

have total assets of over \$17 billion and total deposits of over \$13 billion, or more than 9 percent of all deposits in New York commercial banks."

The rationale for the measure appeared to be that unless the law were changed, anybody interested in buying control of a big New York bank could simply offer to buy the stock — possibly with a huge profit for investors — and hope to present the State Banking

Department with a completed acquisition.

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W. German Car Output

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**Big Board Prices Decline;
Dow Index Drops 10.05**

NEW YORK, July 18 (Reuters) — Prices on the New York Stock Exchange closed broadly lower in moderate trading today.

Analysts said interest rate worries and some softening of the dollar combined with recent gains to push prices lower.

The Dow Jones industrial average lost 10.05 points to 829.00, while declines led advances 961-to-474.

On the American Stock Exchange, prices about the market-value index off 0.68 to 150.17 and the average price per share down five cents.

The Federal Reserve's policy-making Open Market Committee met today, and analysts said investors will be waiting to see whether any decisions were made to further tighten credit conditions.

They added that improved second quarter earnings helped some individual stocks, although oil stocks, which benefited recently from speculation about the Baltimore Canyon drilling results, lost ground as did autos, chemicals, drugs, semiconductors, copper, aluminum and retail issues.

AMC's earnings amounted to 20 cents a share and included an extraordinary tax credit of \$3 million. Earnings a year ago came to \$1.6 million, or six cents a share. Operating income in the third quarter were up 94 percent at \$3.1 million.

In the first three fiscal quarters, profits stand at \$10.7 million, or 35 cents a share, including a tax credit of \$4.6 million. Operating income was \$6.1 million. In the 1977 period, profits totaled \$5.3 million or 18 cents a share.

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have total assets of over \$17 billion and total deposits of over \$13 billion, or more than 9 percent of all deposits in New York commercial banks."

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Yankees' Slugger Refuses to Hit Away

Martin Suspends Jackson for Insubordination

From Wire Dispatch
NEW YORK, July 18 — Reggie Jackson, the New York Yankees' slugger, was suspended without pay indefinitely by manager Billy Martin last night after he "disregarded the manager's orders" and bunted when told to swing away in the Yankees' loss to the Kansas City Royals, 9-7.

Major League Standings

AMERICAN LEAGUE				
Team	W	L	Pct.	GB
Boston	41	28	.591	0
Los Angeles	40	29	.577	1
Baltimore	39	30	.565	2
New York	38	31	.553	3
Seattle	37	32	.539	4
Chicago	36	33	.520	5
Texas	35	34	.506	6
California	34	35	.493	7
Minnesota	33	36	.479	8
San Francisco	32	37	.464	9
Philadelphia	31	38	.449	10
Atlanta	30	39	.435	11
Pittsburgh	29	40	.421	12
St. Louis	28	41	.407	13
Washington	27	42	.393	14
Cleveland	26	43	.379	15
Montreal	25	44	.365	16
San Diego	24	45	.351	17
Indianapolis	23	46	.337	18
Chicago	22	47	.323	19
Seattle	21	48	.309	20

NATIONAL LEAGUE				
Team	W	L	Pct.	GB
Philadelphia	40	29	.577	0
Los Angeles	39	30	.565	1
San Francisco	38	31	.553	2
Atlanta	37	32	.539	3
St. Louis	36	33	.520	4
Chicago	35	34	.506	5
San Diego	34	35	.493	6
Minnesota	33	36	.479	7
Seattle	32	37	.464	8
Washington	31	38	.449	9
Pittsburgh	30	39	.435	10
Montreal	29	40	.421	11
San Francisco	28	41	.407	12
Los Angeles	27	42	.393	13
Atlanta	26	43	.379	14
St. Louis	25	44	.365	15
Chicago	24	45	.351	16
San Diego	23	46	.337	17
Minnesota	22	47	.323	18
Seattle	21	48	.309	19
Washington	20	49	.295	20

The incident took place with none out in the 10th inning, the score 5-5 and Thurman Munson on first base with a single. Martin signaled for Jackson to sacrifice on the first pitch, which Jackson fouled off. Martin then took the bunt sign off only to watch Jackson attempt two more bunts on his own, fouling out to catcher Darrell Porter on the third attempt.

As soon as Jackson returned to the bench, he was informed by a coach, Gene Michael, that he was out of the game. In a rage, Martin closed his clubhouse door and conferred with general manager Cedric Tallis for nearly an hour after the game. Finally, Martin announced that Jackson would be suspended indefinitely for insubordination.

The Team Comes First
"Nobody is bigger than this team," said Martin. "I don't remember when I've ever been so mad at a player. I'm the manager. He does what I say."

Jackson reacted calmly to his suspension. "I can't win no matter what I do," he said.

"I come off as a big, greedy money-maker. I'm not going to file a grievance or a suit. I've been saying nothing but 'Yes, sir,' ever since I came here."

"If it was me, I would have called the player in, heard what he had to say, then ruled accordingly," Jackson continued. "Martin doesn't want me around here, so be should be happy now."

No Communication
"Billy hasn't spoken to me for a year and a half, so why should he talk to me now? Why should I talk to him?"

"I'm not going to fight this. I've never had the summer off. I'm tired and I'm down."

Jackson defended his strategy in continuing to bunt. "If I get it down, I'm a hero," he said. "If not, I'm a bum. I was trying to get him [Munson] into scoring position the best way I could. I've got a man, Lou Piniella, hitting .320 behind me and we've got a good chance to score and win if I move the man up."

Martin said it differently. "He disregarded the manager's instructions. Nobody defies the manager or the manager to any way. Nobody is bigger than this team," he said.

Martin added that a player disobeying orders was the worst possible thing for the morale of a ball club. "I don't like to fine or suspend anyone. I've never done it before. I sensed his attitude when he came to the ball park that he was upset about something. Until today, his attitude was tremendous."

Could Run Forever
Martin said the suspension would be open-ended.

"He'll be reinstated when I'm ready to reinstate him," the manager said. An apology from Jackson would not soothe the situation, according to Martin and Tallis.

"I don't believe in apologizing," Martin said. "I won't talk anything out with him. I'm the manager. He does what I say. I'm not getting paid \$3 million. I obey my boss's orders. They tell me what to do and I do it."

Jackson earlier called himself a "part-time player." He had been angered over his role as a part-time designated hitter, a job assigned him by owner George Steinbrenner in a lineup shuffle after the All-Star break.

Jackson, the hero in last year's World Series victory, leads the Yankees in runs batted in and is second on the team in home runs.

He signed a five-year contract with the Yankees for \$2.9 million as a free agent before the 1977 season.

He has had problems getting along with Martin during his 15-year stay in New York.

The two nearly came to blows in the dugout in Boston on national television in June of last season, and Jackson has been periodically benched by Martin, including in the fifth game of the 1977 American League playoffs.

Back to Live Action
As for the game itself, the Royals won with a four-run rally in the eighth inning after Jackson's misadventure when Munson, the catcher converted to a right fielder, dropped a long fly ball for an error.

The lead run scored when reliever Rich Gossage walked Willie Wilson on a 3-2 pitch with the bases full. Gossage argued the last pitch was a strike and was ejected after swearing at second-base umpire Durwood Merrill.

Brewers 6, White Sox 1
At Milwaukee, Mike Caldwell scattered seven hits and Sal Bando drove in two runs to lead Milwaukee past Chicago, 6-1. The victory was the seventh in the last eight games for the Brewers.

A's 5, Blue Jays 3
At Oakland, rookie left-hander John Henry Johnson, treated to a 12-hit attack that included a run

batted in by five players, pitched Oakland past Toronto, 5-3.

Tigers 4, Angels 3
At Anaheim, Calif., John Wockenfuss, replacing the injured Mickey Stanley, hit a two-out single to score Rusty Staub from third base in the 10th inning as Detroit downed California, 4-3.

Reds 8, Expos 6
In the National League, at Cincinnati, George Foster drove in five runs with two homers and scored the winning run and Pete Rose extended his hitting streak to 30 games as Cincinnati rallied to defeat Montreal, 8-6. Rose's single into right field in the fifth inning gave him 3,082 hits for his career, placing him 10th on the all-time list. His consecutive-game streak is seven shy of Tommy Holmes' National League record of 37, set in 1945.

Dodgers 4, Cubs 3
At Chicago, Reggie Smith's second home run of the game, an eighth-inning shot off Rick Reuschel, snapped a 3-3 tie and carried Los Angeles to a 4-3 victory over Chicago.

Giants 9, Cardinals 7
At St. Louis, Terry Whitfield and Darrell Evans each went five for five in a 17-hit attack and Rob Andrews led off the ninth inning with his first major-league home run, snapping a 7-7 tie as San Francisco beat St. Louis, 9-7. Andrews greeted reliever Buddy Schultz with his first homer in 1,228 at bats.

Astros 2, Phillies 1
At Houston, Jose Cruz homered to lead off the bottom of the 11th inning to give Houston a 2-1 triumph over Philadelphia.

Pirates 8, Padres 7
At Pittsburgh, Manny Sanguillen's pinch-hit single scored pinch runner Ken Macha with one out in the 10th inning, enabling Pittsburgh to rally for an 8-7 defeat of San Diego and a sweep of their three-game series.

Braves 3-4, Mets 0-7
At Atlanta, John Stearns singled twice and hit his ninth homer to drive in two runs and lead New York to a 7-4 victory over Atlanta and a split of their doubleheader. Atlanta won the first game, 3-0, when Dale Murphy hit a homer and rookie Larry McWilliams, just up from Richmond, combined with Gene Garber on a six-hitter.

Monday's Line Scores

NATIONAL LEAGUE				
Los Angeles	200	000	110-4	10 2
Chicago	102	000	000-3	9 0
Philadelphia	000	000	000-1	2 2
Houston	000	000	000-1	2 1
St. Louis	000	000	000-1	2 0
San Francisco	000	000	000-1	2 0
Atlanta	000	000	000-1	2 0
San Diego	000	000	000-1	2 0
Minnesota	000	000	000-1	2 0
Seattle	000	000	000-1	2 0
Washington	000	000	000-1	2 0
Pittsburgh	000	000	000-1	2 0
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Observer

New York Wasp

By Russell Baker

NEW YORK — In New York everyone belongs to a minority group. This gives you pride in your roots and encourages you to feel everybody else is picking on you, which is one of the basic pleasures of the New York experience. My group is called "the Wasps," which is an acronym word standing for "White, Anglo-Saxon, Protestant." I did not want to join the Wasps. I was press-ganged into it. The reason I didn't want to join was that the Wasps are the only minority who cannot have any fun.



Baker

All the other minorities are entitled to make a mess of Central Park once a year or paralyze traffic by marching on Fifth Avenue. They also enjoy the right to hold noisy demonstrations and tell all the best ethnic jokes.

All the Wasps can tell are Harvard jokes. This is because all Wasps are supposed to have gone to Yale or at least Princeton, or to act as if they had, even if they haven't. Instead of marching down Fifth Avenue or eating wonderful old Wasp food in annual Central Park Wasp Festivals, Wasps have to sit around dim, musty clubs reading the Yale Alumni Bulletin and talking about their ancestors.

I have never liked clubs since I was sneered at in one in Baltimore many years ago for wearing a green double-breasted suit with a red stripe and unmatched two-tone shoes.

Talking about ancestors, however, is very enjoyable. Upon first coming to New York, I used to do it frequently among friends like Fried, Cicelo, Moyahen and Leventhal. When they reminisced about ancestors who had been beaten by Cossacks, tortured by Fascists and shot by the Black and Tans, I told them about my great-grand-uncle who had been fatally gnawed by a bear.

This did not please Fried, Cicelo, Moyahen or Leventhal. It was bad form for a Wasp to have an ancestor with nutrient appeal to bears. Wasp ancestors were supposed to spend their time knitting samplers, extolling the virtues of

sexual repression and Brooks Brothers styles. Friends who belonged to other minorities seemed to think it was cheap for a Wasp to talk of interesting ancestors. It was useless to protest that I did not want to be a Wasp and, in fact, didn't even qualify since my normal hue was closer to gray than white. Efforts to escape destiny with a frail joke about my grayness — "I'm a Gasp, not a Wasp" — cut no ice. In New York one had to belong to a minority, and the only one I came close to fitting was the Wasps.

There was no escaping. My wife, who is pink and Celtic, was allowed to join the Women, a group which qualifies as a minority in New York, although they are in the numerical majority. This means she does not have to wear tweeds or pinstripes all winter, the way I do, and can talk about being oppressed whenever the mood is on her and be sure of a sympathetic audience. This seemed like tyranny at first. One began to feel paranoid, persecuted. Why should I be forced to wear tweeds and pinstripes? To sit in clubs, which I hated, reading alumni bulletins which made me weep with boredom? If others could serve ravioli and blintzes to applause, why did chattering on my table merit nothing but contempt? Why did I have to have a great-grand-uncle who knitted samplers instead of getting gnawed by a bear?

The worst part was the sexual repression that one was supposed to exhibit on all possible occasions. No, on second thought, it wasn't the sexual repression. It was the inability to have a mother like everybody else.

Members of all the other minority groups had mothers who had driven them, smothered them with love, worried about them, cherished ridiculous hopes for them, trained them in guilt and tyrannized them in emotional family relationships. In short, they had mothers.

As a Wasp, I was not permitted a mother. Attempts to prove that I had one were met with knowing glances passed surreptitiously among my listeners. What does a Wasp know about mothers? An old lady wearing tweeds and pinstripes and telling Harvard jokes — call that a mother? Wasps don't have mothers. They have old ladies sitting in dim musty clubs reading the Vassar Alumnae Bulletin.

A publican refused to let a young woman play snooker in his pub, saying women ripped the table's covering with their cue sticks

The Frustrations of British Feminists

By Roy Reed

LONDON (NYT) — A judge recently ruled that a Fleet Street bar called El Vino was simply being chauvinist in prohibiting women from standing at the bar with men. They can drink at tables in the rear without being jostled, he said, so El Vino's rule does not violate the Sex Discrimination Act.

The ruling caused a brief outburst from militant feminists, but in the larger public it caused more jollification than outrage. One feminist said it was unfortunately true that many British women don't care about that sort of thing and rather like having drinks bought for them by chivalrous males. As if to prove her point, at El Vino on a day, about a week after the court ruling, the lunch crowd included seven women — all seated demurely at the tables in the rear.

Britain, the birthplace of the 19th century feminist movement, has just celebrated the 50th anniversary of women's full suffrage. But 50 years of voting have not brought equality. Britain's vigorous women's liberation movement lists dozen of ways in which women are still a class apart.

Women's earnings are only 65 percent as high as men's in a period of sharp gains, seem to have leveled off in the race to catch up.

Women seldom appear on company boards and in the top executive ranks. Even in medicine, where they comprise a third of the nation's physicians, they are squeezed out of the better practices such as surgery.

Like Children

The income tax law treats women like children. A husband is responsible for filling out his wife's tax return, making it impossible for her to hide any of her income from him.

On the other hand, a survey a few years ago found that 7 out of 10 British wives did not know how much their husbands earned. One desperate wife was hauled into court charged with forging checks on her husband's bank account to keep the household afloat. She got a suspended sentence.

A British woman who marries a foreign national cannot pass on her British citizenship to her children while a man can.

Women are forced to retire from work at age 60, men at 65.

For all the obstacles in tradition and law, British women have made considerable

progress in recent years. Some believe that the women's movement in Britain is now more aggressive and cohesive than the American one that inspired it.

The movement's most significant legal gain in recent times was passage of the Sex Discrimination Act by Parliament in 1975. It went into effect simultaneously with a previously passed Equal Pay Act.

Before the discrimination act, the young woman who took El Vino to court for refusing her service at the bar would have had no legal grounds for complaint.

Male Strongholds

In spite of the El Vino setback, which many believe will be overturned on appeal, the act has opened up male strongholds to women. Even the notoriously men-only preserves, private clubs, have mostly opened their memberships to women, if only in restricted ways and just in time for the new members to see the clubs driven out of existence by economic and demographic changes.

Lady Howe, deputy chairman of the Equal Opportunities Commission set up to enforce the pay and discrimination laws, said in an interview recently that British activists were pleased but not completely satisfied by passage of the two laws.

"They feel that some of the job is done and now they're concerned with closing the gaps," she said.

British women, who make up 40 percent of the nation's work force, tend to be more interested in economic discrimination than other sex-related issues. There is deep resentment over imbalances in pay that remain in spite of the equal pay law, which mandates that women be paid wages equal to those paid to men who do similar work.

Companies were given five years to upgrade women's wages when the equal pay law was passed in 1970. Women then earned 54.5 percent as much as men. Under the law, companies raised women's pay steadily during the ensuing years so that by 1976 women's earnings were 64.3 percent of men's. But the gain last year was only 0.6 percent.

Some companies have been accused of reclassifying jobs to keep women in low-paying positions. But the greater problem seems to be that the country still has large numbers of women in traditional "women's" jobs that offer no prospect of promotion or increases in pay.

Many British women, reared to think of themselves as dependent, do not aspire to more responsible jobs. Girls do as well as boys in all academic subjects, but only small numbers try to get into male-dominated professions such as science and engineering.

Even those who try often find their way blocked by custom and institutional rigidity. The trade unions, for example, are overwhelmingly male oriented, and women are having difficulty getting them to make changes.

Many militant feminists have begun to grapple with more emotional issues such as rape and physical abuse. As in the United States, they are working to overcome the considerable ignorance about the nature and consequences of rape.

Dependent

Following the example of other Europeans, British feminists are holding night-time demonstrations in dangerous districts to "reclaim the night." They are writing and speaking against judges who treat rape lightly and give lenient sentences for it.

Britain is taking the lead in caring for women who have been physically beaten by men. The country has about 100 refuge houses for battered women. Parliament is being pressured to provide public housing for them.

Spare Rib, Britain's leading feminist magazine, found that wife-beating is widespread. Once it was publicized, thousands of women let be known that they had been the victims of beatings by their mates. Many had considered it normal.

Britain permits abortion when health is threatened. The approval of two physicians is necessary. Parliament is under great pressure to change the law to allow women, not doctors, to decide. There is little indication the controversy will be resolved soon.

The frustrations of British feminists were pointed up in a recent court case from Sheffield. A publican refused to let a young woman play snooker in his pub, saying women ripped the table's covering with their cue sticks. The woman took him to court and won. But when she went back to the pub, he threw her out again — for swearing. She reportedly is trying to decide whether to take him to court again.

PEOPLE: Cagney and Skelton Celebrate Birthdays

James Cagney quietly celebrated his 79th birthday on Martha's Vineyard at a gathering at a friend's home. Cagney, whose film career spanned 40 years, has maintained a secluded home in Chilmark, Mass., on the south coast of the island since 1936. Among those at the party were his wife of 35 years, Frances (Bill) Cagney, and his sister, Jeanne. Cagney and his wife spend about six months of the year in California, and about six months on Martha's Vineyard. He was reported in good health, although slightly disabled by a mild stroke last year. Cagney retired some 17 years ago. In 1974, he received the Life Achievement Award of the American Film Institute.



James Cagney happy birthday.

And in Reno, entertainer Red Skelton celebrated his 65th birthday vowing that "as long as I've got a breath in my body, I'm going out and trying to make people laugh." Skelton has no kind words about retirement at any age. "It's all part of a plot. Young people, about elderly people at a certain time because they're afraid our wisdom will get to them and they can't control people." Skelton's 65th birthday also marks his 55th year in show business.

Once more, Prime Minister Pierre Elliott Trudeau of Canada has added some spice to diplomatic behavior. Trudeau, who has been accused of using profane language in Parliament and who last year performed a mock pirouette behind the back of Queen Elizabeth, made what an aide called "a rude gesture" in Bonn. On the steps of the Palais Schaumburg in Bonn, where he was attending the seven-nation economic summit, Trudeau sat on the steps waiting first for Helmut Schmidt, the West German chancellor, then for President Valéry Giscard d'Estaing of France, to take part in a picture-taking session. Apparently exasperated at having to wait, Trudeau, at the end of the session, made an internationally recognized gesture at photographers, using his forearm.

In Boston, a quiet summer is being enlivened by the reaction to the decision of Mayor Kevin White to have many of the city's yellow traffic light poles repainted black. Detractors say the new color indicates the mayor's mood, and one official in the city's Traffic and Parking Department grouched, "Either the man's crazy or he's in mourning." Those who object to having some

3,500 traffic poles changed from yellow, their color for the past 30 years, also argue that yellow has illuminating qualities that help motorists at night. But Stephen Dunleavy, White's director of public safety, who helped persuade the mayor to make the color change, said, "Yellow is a visual eyesore." Perhaps the last word came from George Regan, White's press secretary: "The mayor thinks yellow adds nothing to the city, but he thinks black is classy."

Alessandro Pertini, Italy's new president, seems to be taking a few leaves from President Carter's book. It will be recalled that Carter, on taking office, made it a point to invite some of the full-time presidents to cut back expenses on pomp and ceremony, reducing the number of limousines used by officials and otherwise trying to give his administration a more modest image. Now Pertini has directed his chauffeur to stop wearing white gloves as part of a campaign to give his presidency a "simple style," and he has also suggested but not ordered, that his drive break with tradition by not wearing a cap. There were reports that Pertini plans to cut back expenses at the Quirinale Palace by simplifying the uniforms worn by palace personnel and by reducing the number of official automobiles for staff members.

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